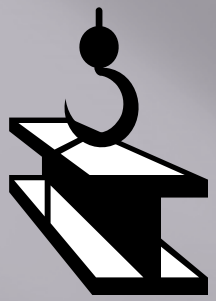


WORLD STEEL DYNAMICS

New Crises – New Opportunities – New Winners

Presentation to:

Met Coke 12th Annual World Summit

Chicago, Illinois

by:

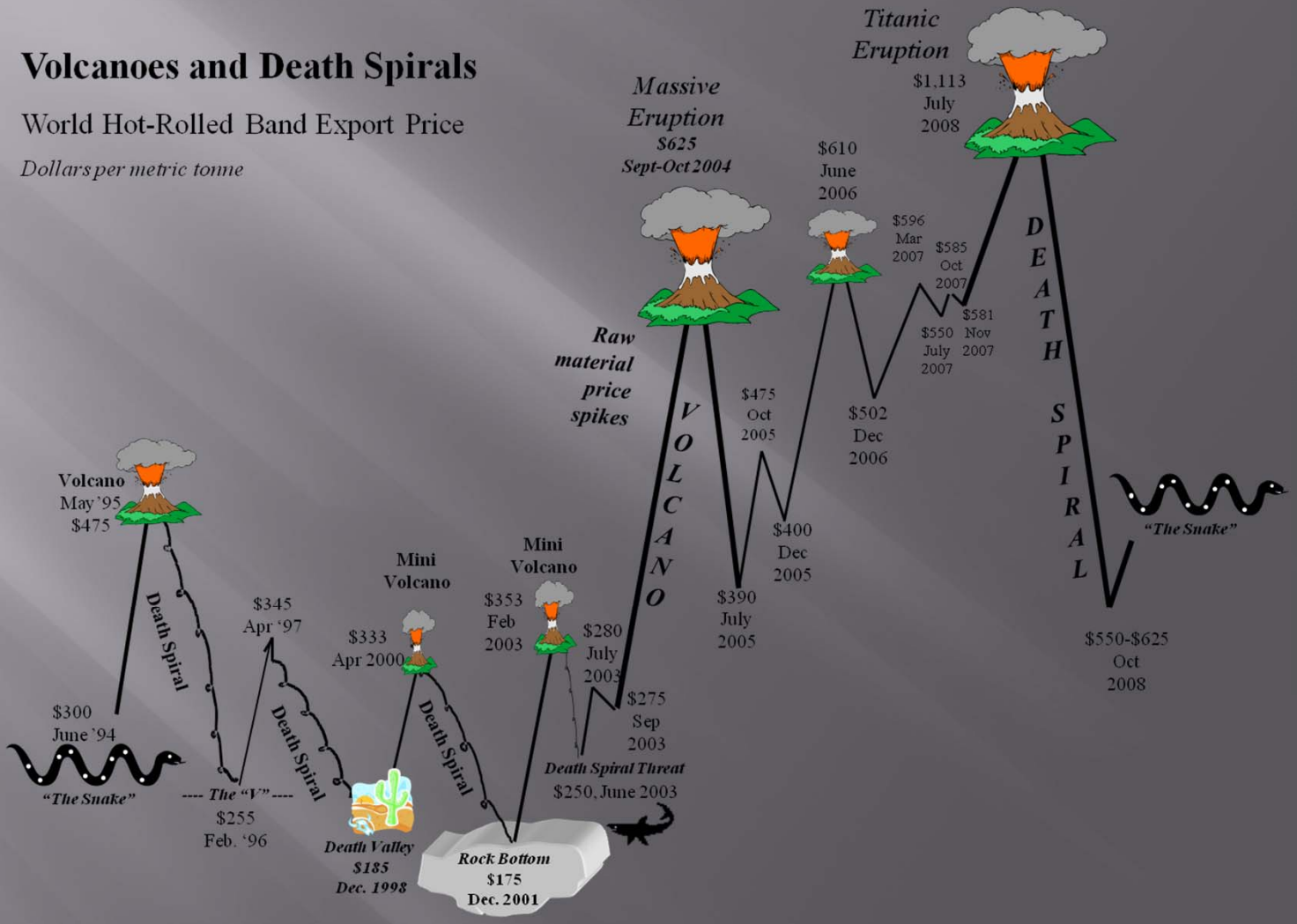
Becky E. Hites

Managing Partner

October 23, 2008

WORLD STEEL DYNAMICS

World Export Price for Hot-Rolled Band has Dropped Dramatically



Source: WSD's SteelBenchmarker™

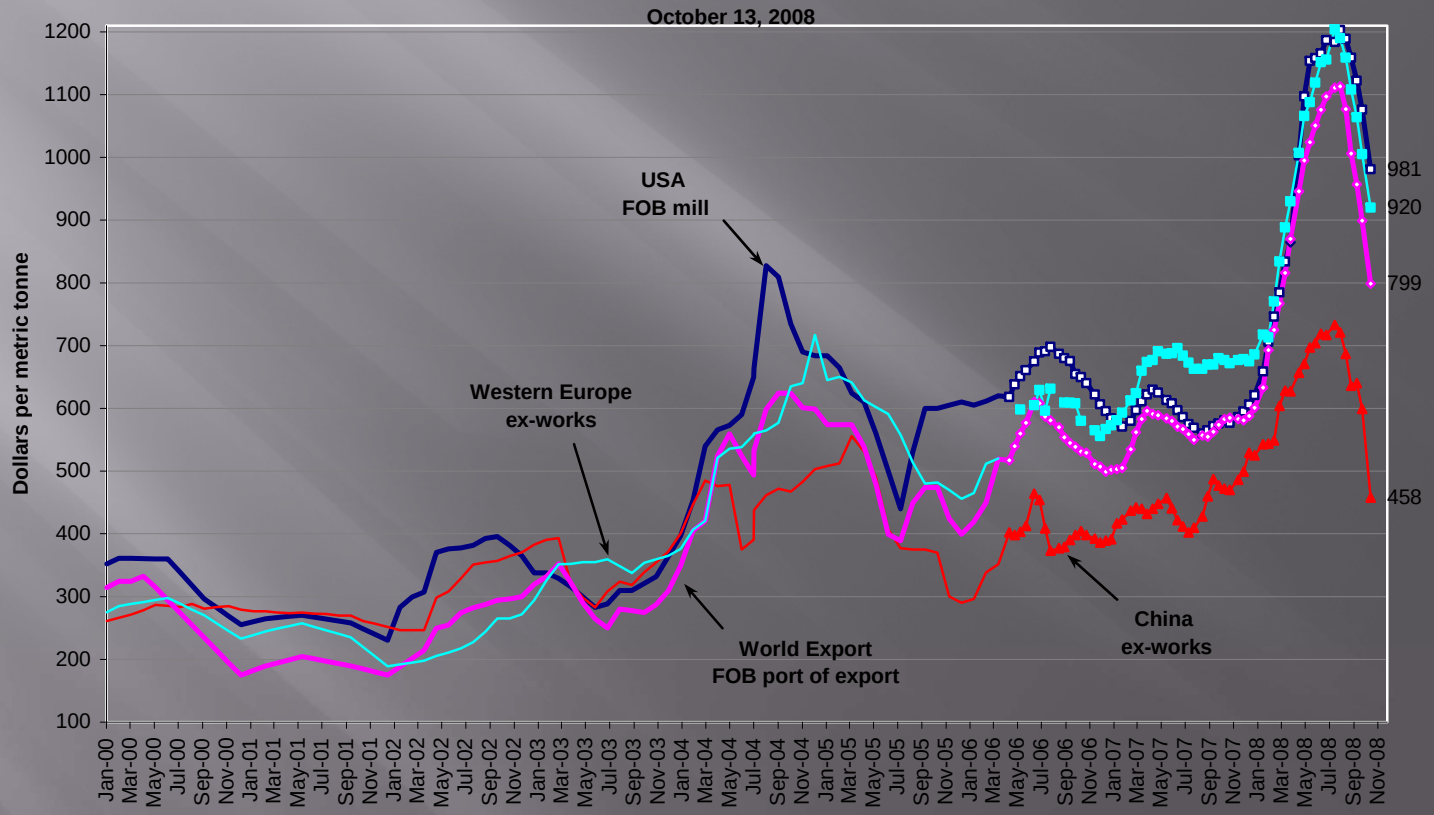
WORLD STEEL DYNAMICS

Hot-Rolled Band Spot Prices Are Down in All Markets

SteelBenchmarker ™ HRB Price

USA, China, Western Europe and World Export

(WSD's PriceTrack data, Jan. 2000 - March 2006; SteelBenchmarker data begins April 2006)



SteelBenchmarker™

WORLD STEEL DYNAMICS

Global Crude Steel Production Could Be Down 12% in the Fourth Quarter of 2008 and 13% in the First Quarter of 2009

Annualized Global Steel Production, Consumption and Related Items

(million metric tonnes, crude steel equivalent (CSE) basis)

	Annualized								
Quarter	SAAR* Crude Steel Production		Less: Steel Mill Inventory Addition	Ratio: Crude to ASC	Equals: Apparent Steel Consumption (CSE)		Minus: User Inventory Addition	Equals: Steel Consumption (crude EQ)	Year on Year % Change in Consumption
1Q 07	1,312	10.9%	-12	0.99	1,325	12.7%	2	1,323	13.5%
2Q 07	1,345	6.8%	-17	0.99	1,362	9.3%	0	1,362	10.3%
3Q 07	1,359	6.7%	-8	0.99	1,367	8.4%	-1	1,368	8.7%
4Q 07	1,360	5.8%	0	1.00	1,360	6.5%	-1	1,361	7.1%
1Q 08	1,390	5.9%	0	1.00	1,390	4.9%	20	1,370	3.6%
2Q 08	1,453	8.0%	-80	0.95	1,533	12.5%	80	1,453	6.7%
3Q 08e	1,335	-1.8%	60	1.05	1,275	-6.8%	-40	1,315	-3.9%
4Q 08e	1,194	-12.2%	120	1.11	1,074	-21.0%	-100	1,174	-13.7%
1Q 09e	1,212	-12.8%	40	1.03	1,172	-15.7%	-40	1,212	-11.5%
2Q 09e	1,282	-11.7%	0	1.00	1,282	-16.3%	-20	1,302	-10.3%
3Q 09e	1,320	-1.1%	-40	0.97	1,360	6.7%	0	1,360	3.5%
4Q 09e	1,382	15.7%	-20	0.99	1,402	30.5%	40	1,362	16.0%
1Q 10e	1,396	15.2%	-20	0.99	1,416	20.8%	20	1,396	15.2%
2Q 10e	1,422	10.9%	0	1.00	1,422	10.9%	20	1,402	7.6%
3Q 10e	1,475	11.7%	0	1.00	1,475	8.4%	10	1,465	7.7%
4Q 10e	1,506	8.9%	20	1.01	1,486	6.0%	30	1,456	6.9%

* SAAR = seasonally-adjusted annual rate.

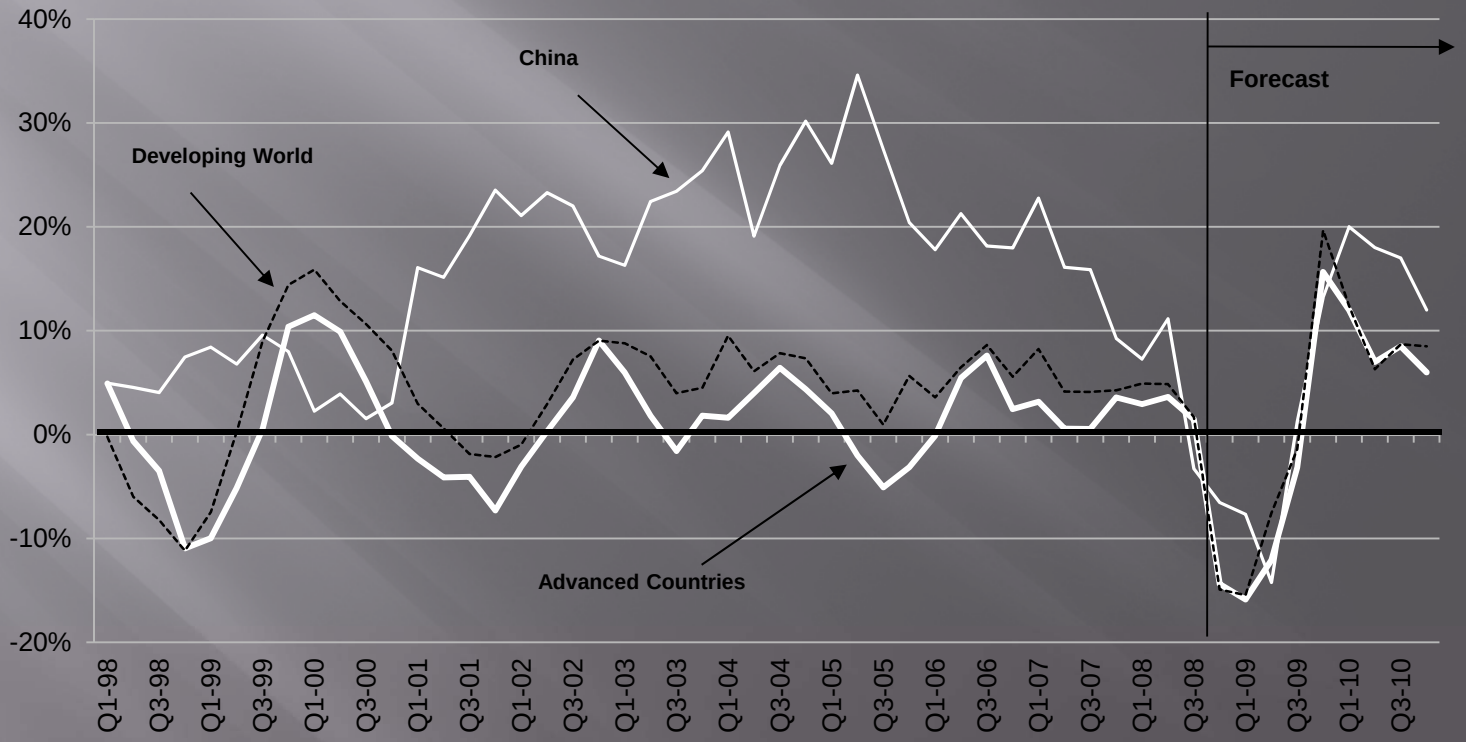
Source: WSD's Global Steel Alert System

WORLD STEEL DYNAMICS

Crude Steel Production Will Decline in Every Region of the World

Regional Crude Steel Production

(Year-to-Year Change)



Source: WSD Global Steel Alert System

Despite This Dramatic – and Refreshing – Response to the Weaker Markets, the Mills Will Likely Still Build Inventories

Year	SAAR* Crude Steel Production		Less: Steel Mill Inventory Addition	Ratio: Crude to ASC	Equals: Apparent Steel Consumption (CSE)		Minus: User Inventory Addition	Equals: Steel Consumption (crude EQ)	Year on Year % Change in Consumption
1993	728		14	1.02	714		-1	715	
1994	725	-0.4%	3	1.00	722	1.2%	11	711	-0.5%
1995	752	3.7%	-5	0.99	757	4.8%	-2	759	6.7%
1996	750	-0.3%	12	1.02	739	-2.4%	-4	743	-2.1%
1997	799	6.5%	10	1.01	789	6.8%	8	781	5.2%
1998	777	-2.7%	-3	1.00	780	-1.1%	-5	785	0.5%
1999	789	1.5%	-8	0.99	797	2.1%	-2	799	1.7%
2000	849	7.7%	3	1.00	846	6.2%	-3	849	6.3%
2001	851	0.2%	-5	0.99	856	1.2%	-4	860	1.3%
2002	905	6.3%	3	1.00	902	5.3%	5	897	4.2%
2003	970	7.3%	-2	1.00	972	7.8%	0	972	8.4%
2004	1,069	10.2%	-8	0.99	1,077	10.8%	10	1,067	9.8%
2005	1,146	7.2%	0	1.00	1,146	6.4%	-9	1,155	8.2%
2006	1,251	9.1%	10	1.01	1,240	8.2%	8	1,232	6.7%
2007	1,344	7.5%	-9	0.99	1,354	9.1%	0	1,354	9.8%
2008e	1,343	-0.1%	25	1.02	1,318	-2.6%	-10	1,328	-1.9%
2009e	1,299	-3.3%	-5	1.00	1,304	-1.0%	-5	1,309	-1.4%
2010e	1,450	11.6%	0	1.00	1,450	11.1%	20	1,430	9.2%

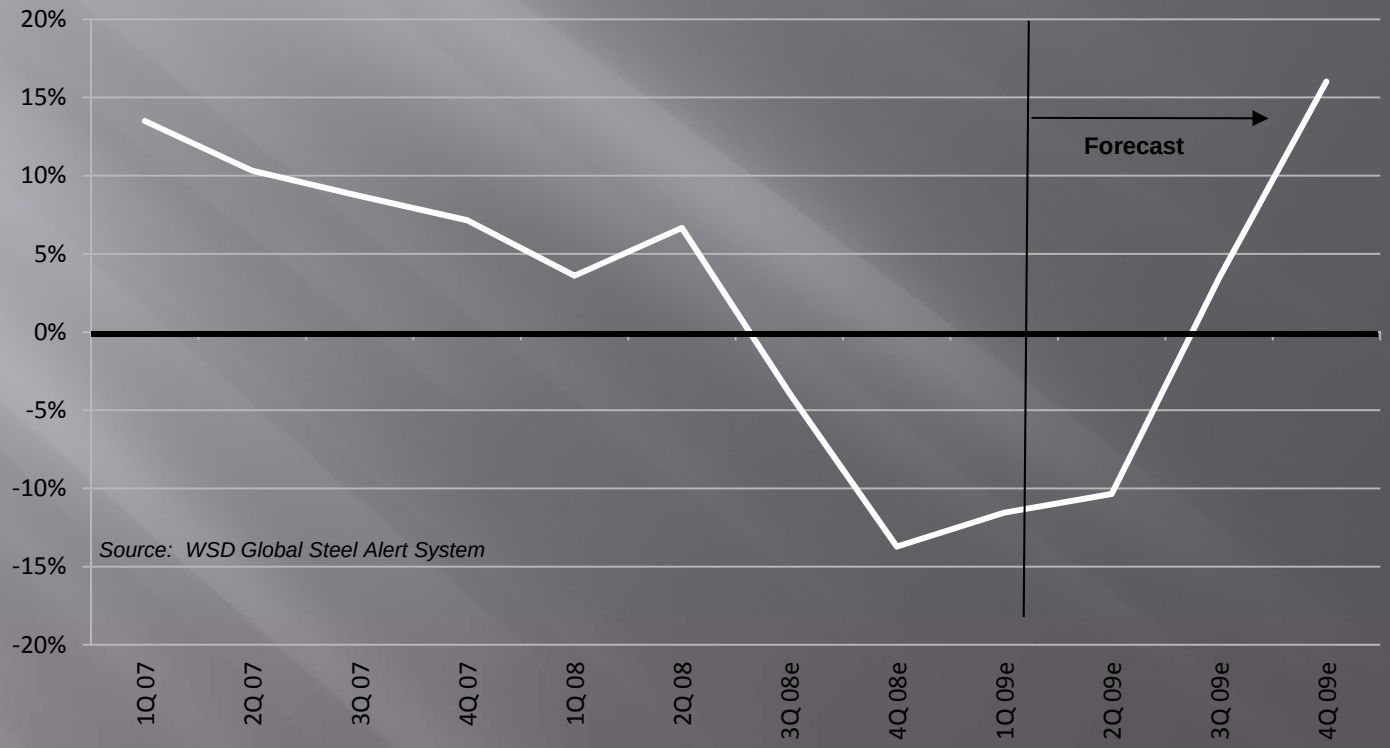
Source: IISI for historical steel production and WSD's GSA for annual apparent steel consumption figures.

WORLD STEEL DYNAMICS

As What We Identified as "The Chill" in April – i.e. a Lack of Buyers – Has Become a "Deep Freeze" in October

Global Actual Steel Consumption Year-to-Year Change

(ASC adjusted for WSD's estimate of inventory changes)



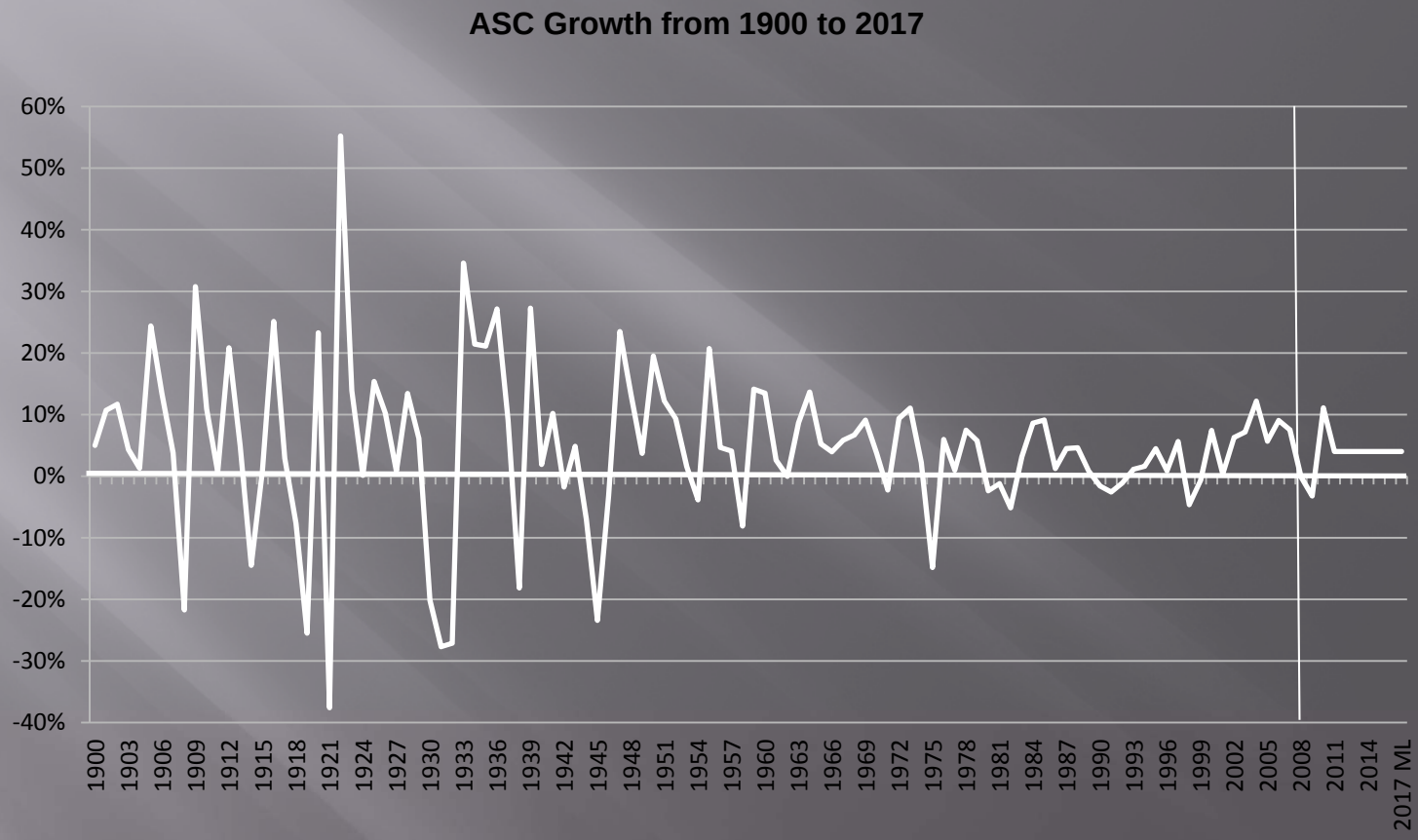
WORLD STEEL DYNAMICS

Drivers Behind The Dramatic and "Instant" Drop Off In Steel Demand

- A stronger US dollar.
- Chinese steel home market demand has collapsed.
- Cash is King. No one wants to be long inventory.
- Falling scrap prices are driving down steel prices (about 30% of the hot-rolled band produced in the USA is made in EAF mills).
- Pig iron prices are down sharply on the world market.
- Ocean freight rates have plummeted, reflecting contracting global trading activity (perhaps due in part to tighter credit).
- Traders are "stuck" with high cost steel inventories compared to market prices that are down 20% or more.

WORLD STEEL DYNAMICS

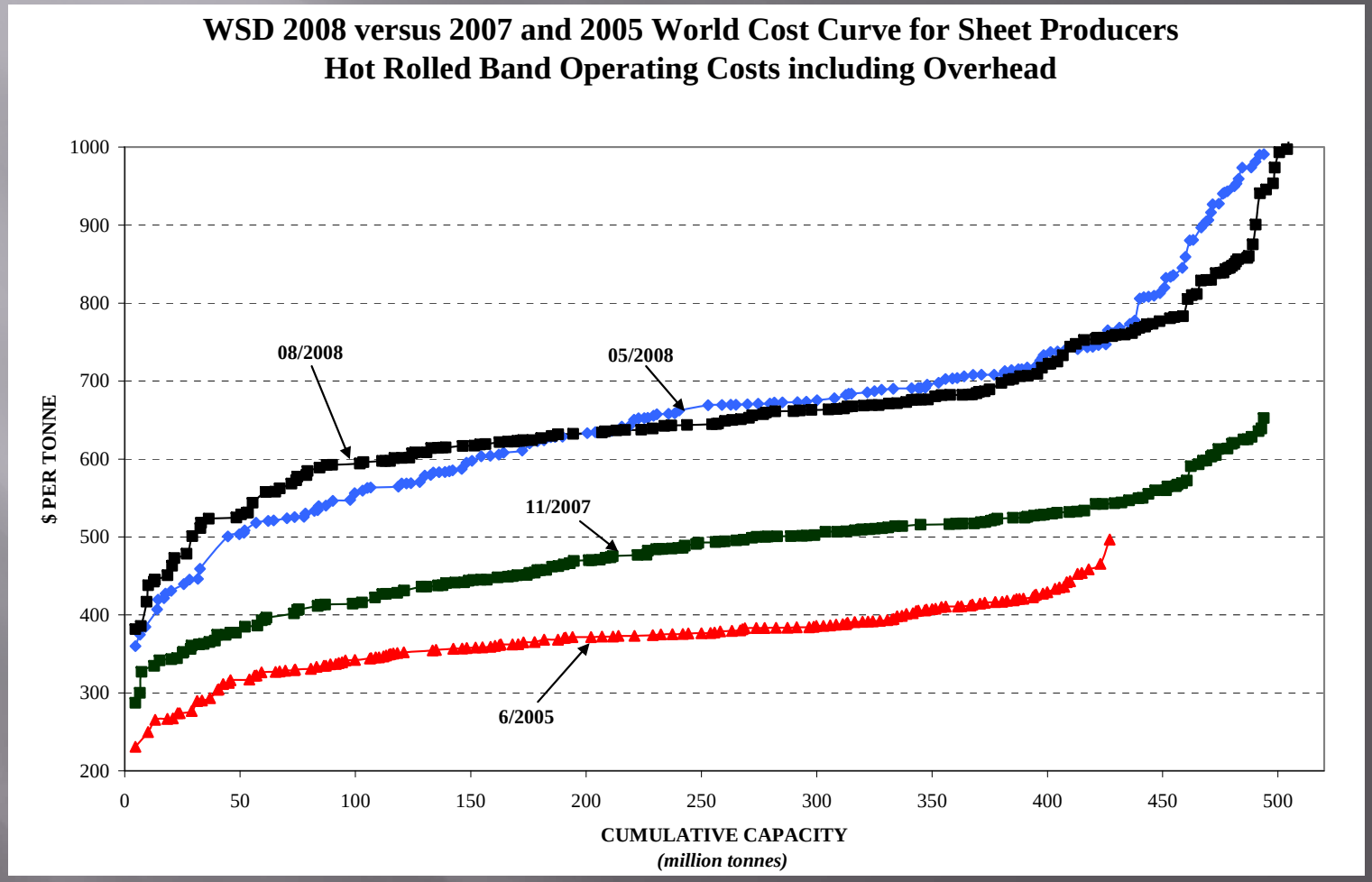
Last Negative Comparison in Apparent Steel Consumption was 1998-1999; 2001's ASC was Flat.



Source: WSD's Global Metallics Balances System

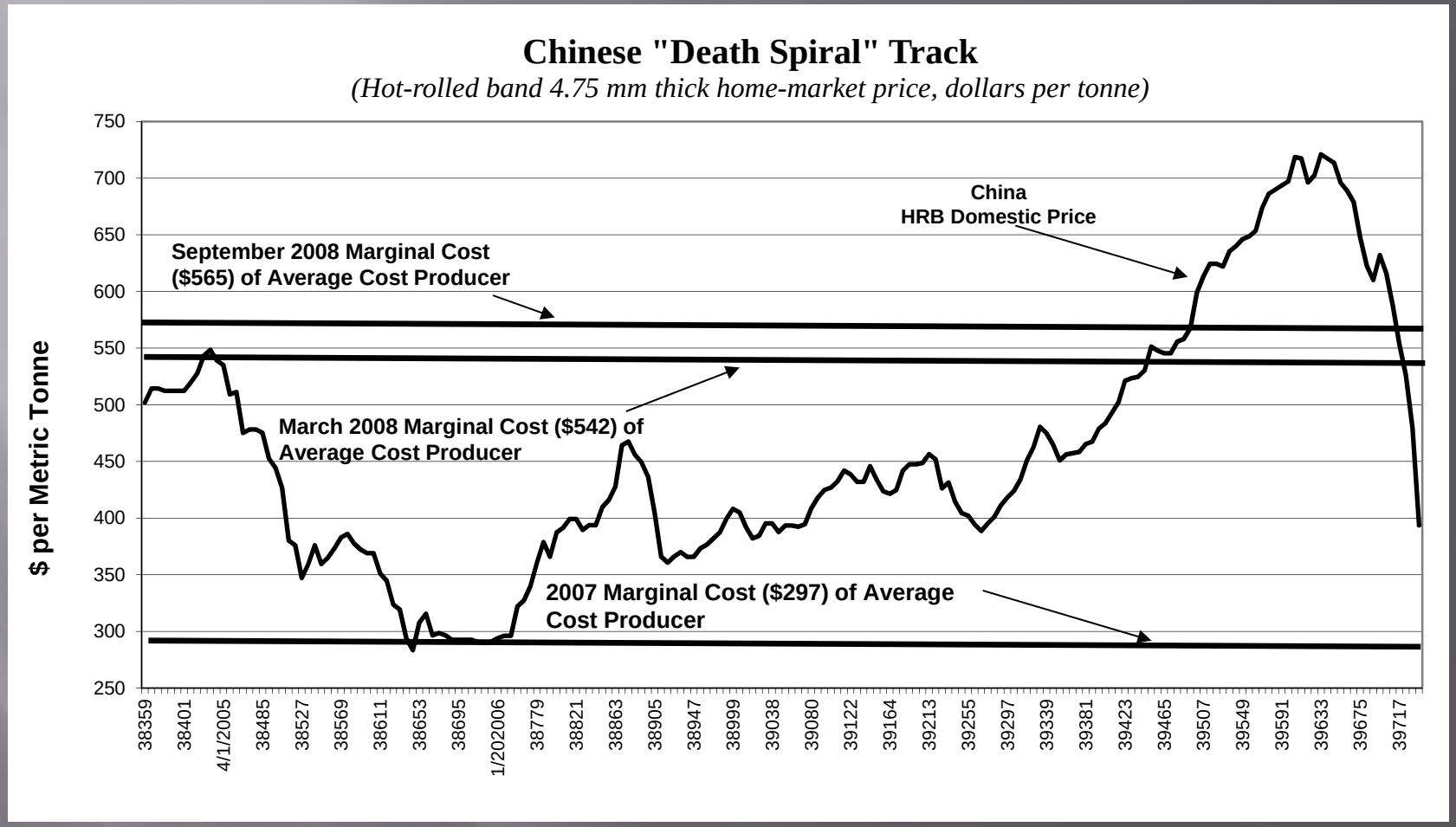
WORLD STEEL DYNAMICS

Much Higher Production Costs Will Keep Prices From Dropping to 1999 Levels



Source: WSD's World Cost Curve for Sheet Producers

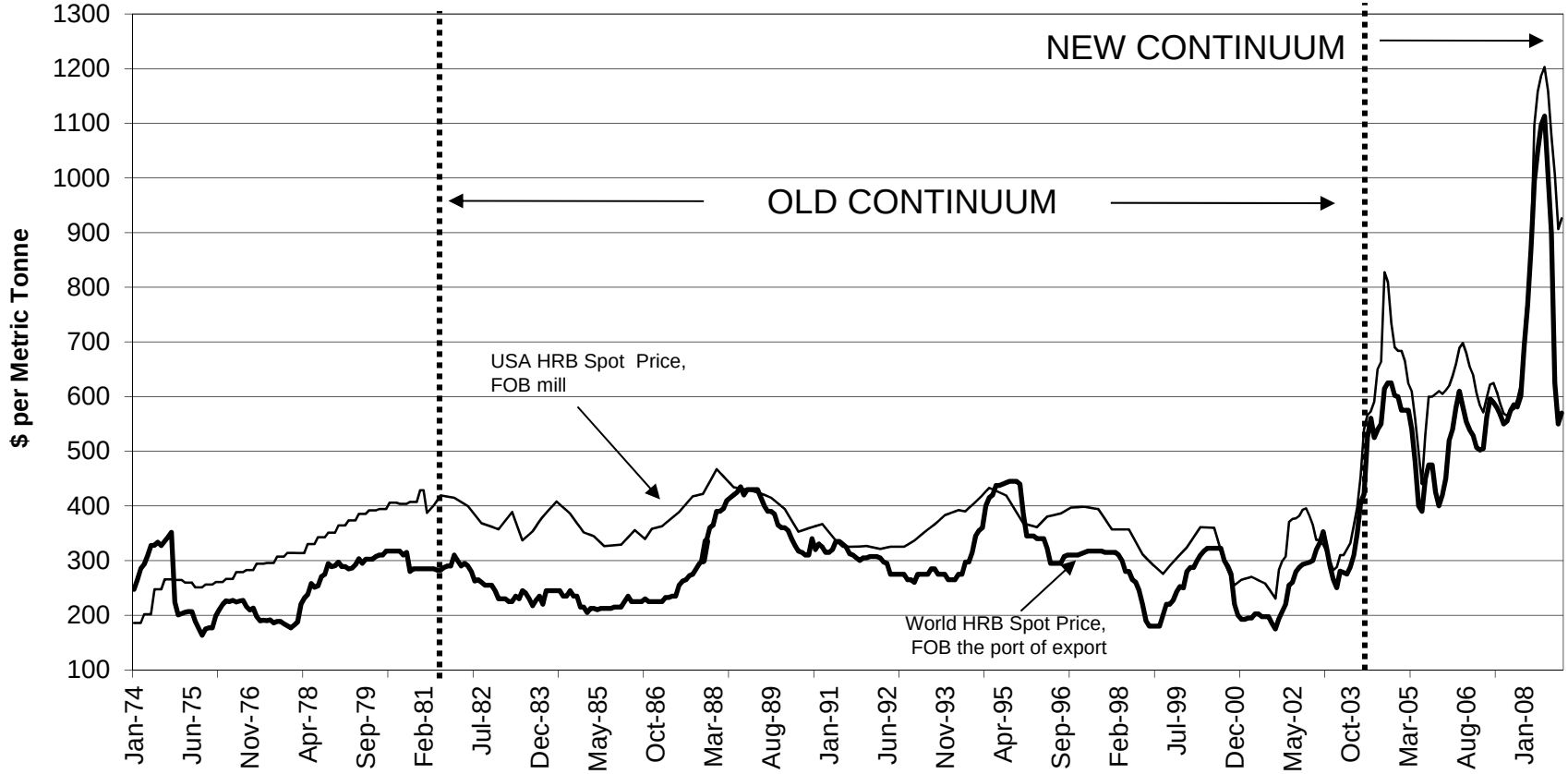
Chinese Mills' Home Market Prices Are Below Their Marginal Cost to Produce – What WSD Calls a "Death Spiral"



Source: WSD's World Cost Curve for Sheet Producers

WORLD STEEL DYNAMICS

The Steel Industry Entered a "New Continuum" in 2004 and has Revitalized Itself

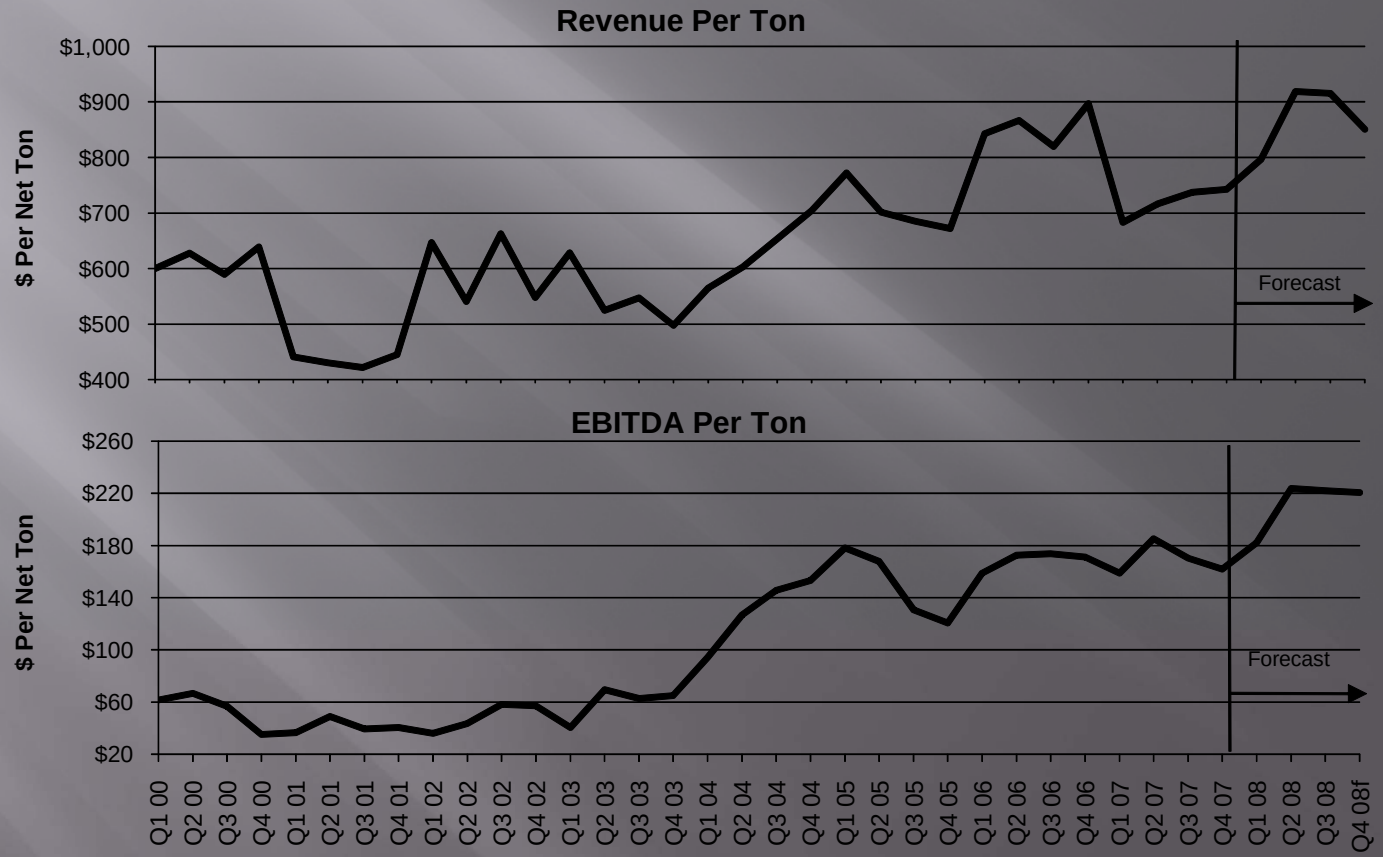


Source: WSD PriceTrack & WSD SteelBenchmarker™

WORLD STEEL DYNAMICS

Profits Have Soared Despite Higher Raw Material Costs; The 2H of 2008 EBITDA May Be at Reduced Levels, But Still Good

Global Steel Finance: Global average



Source: WSD's Global Steel Finance System

WORLD STEEL DYNAMICS

Developments to Support the Theory of a More Friendly Environment for Non-Chinese Steel Sheet Mills

WSD expects the New Continuum to last a least a decade given the current pattern of events and the spreading benefits of the information revolution.

- Steel demand growth expected to be around 4% through 2015.
- More rapid steel sheet production cutbacks when prices start to decline (both inside and outside of China, primarily due to steel mill consolidation).
- A tight supply of steelmakers' metallics when demand is strong. Steel scrap reservoir growing slowly.
- No major threat from the Chinese steel sheet-producing industry. Will merge with Western mills.
- Continued advances in steel's technological revolution.
- End of steel mill cost inflation after 2009.

Consolidation – "Merger Mania" as WSD Calls It – Has Been Good For the Steel Industry

- Concentration enhances pricing power.
- No signs of it abating.
- Strong 2007-2008 steel market have masked vulnerabilities in some of the weak companies, which will likely be flushed out in this price environment. WSD expects mergers to continue.
- Down cycles typically lead to conditions of stress and crisis that are suffered to a far greater extent by the weaker players.
- Winners will grow stronger while weaker companies will grow feeble.

Recent Acquisitions of Steelmakers

Recent Acquisitions of Steelmakers
(US$ in millions, except capacity data)

Announcement Date	Target	Acquirer	Transaction Value	Transaction Value/ 2007P EBITDA	Transaction Value/ Capacity
September 4, 2008	Beta Steel	NLMK	$400	19.0x	$552
June 16, 2008	Bayou Steel	Arcelor Mittal	475	NA	871
May 20, 2008	Esmark	SeverStal	1,210	NM	475
May 16, 2008	WCI Steel	SeverStal	370	NA	212
March 21, 2008	Sparrows Point (1)	SeverStal	810	NM	225
February 20, 2008	Grupo San	Grupo Simec	850	NA	1,214
December 10, 2007	Claymont	Evraz	570	8.4x	1,141
November 19, 2007	Quanex (2)	Gerdau	1,673	10.3x	1,416
August 27, 2007	Stelco	U.S. Steel	1,750	8.8x	401
July 10, 2007	Chaparral Steel	Gerdau Ameristeel	4,093	9.2x	1,608
May 3, 2007	IPSCO	SSAB	8,252	7.9x	2,116
April 15, 2007	Algoma Steel	Essar Steel	1,441	6.0x	528
March 29, 2007	Bohler-Uddeholm (3)	Voestalpine	5,956	11.3x	NA
January 31, 2007	Corus Group	Tata Steel	14,102	26.8x	698
November 20, 2006	Oregon Steel	Evraz	2,303	6.5x	1,408
		Median		**9.0x**	**$784**

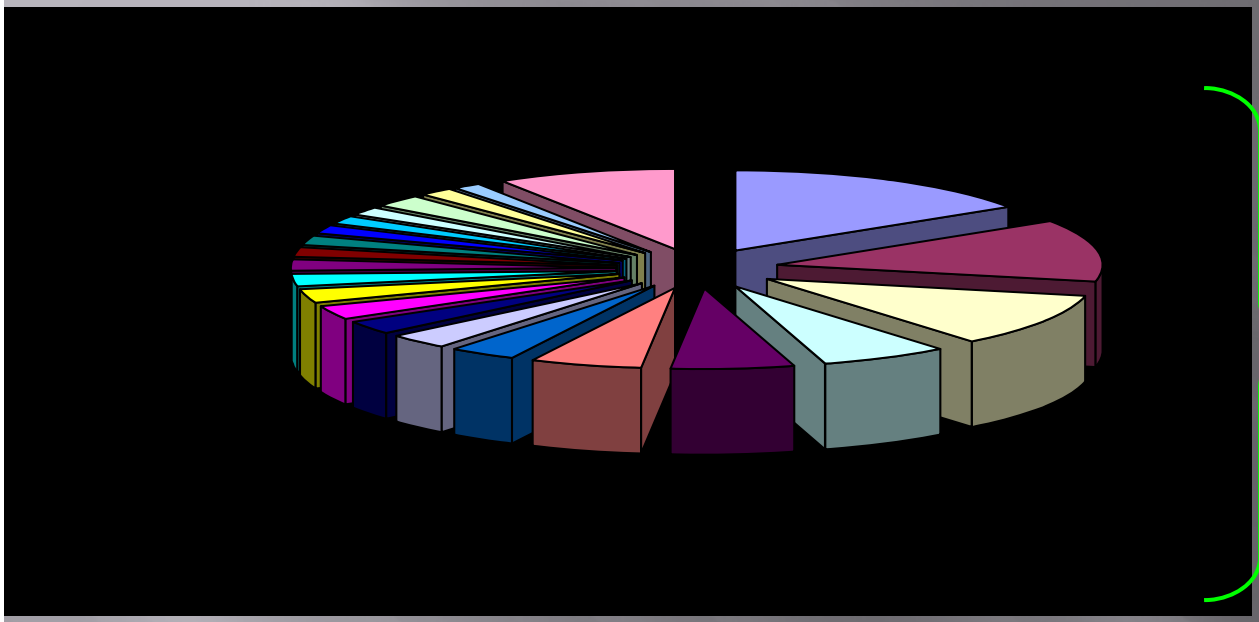
(1) Assumes net debt is zero.

(2) Reflects the acquisition of the vehicular products business, the majority of which is comprised of MACSTEEL.

(3) Voestalpine acquired 79.2% of Bohler-Uddeholm. The transaction value reflects an implied enterprise value assuming 100% of the equity was acquired.

WORLD **STEEL** DYNAMICS

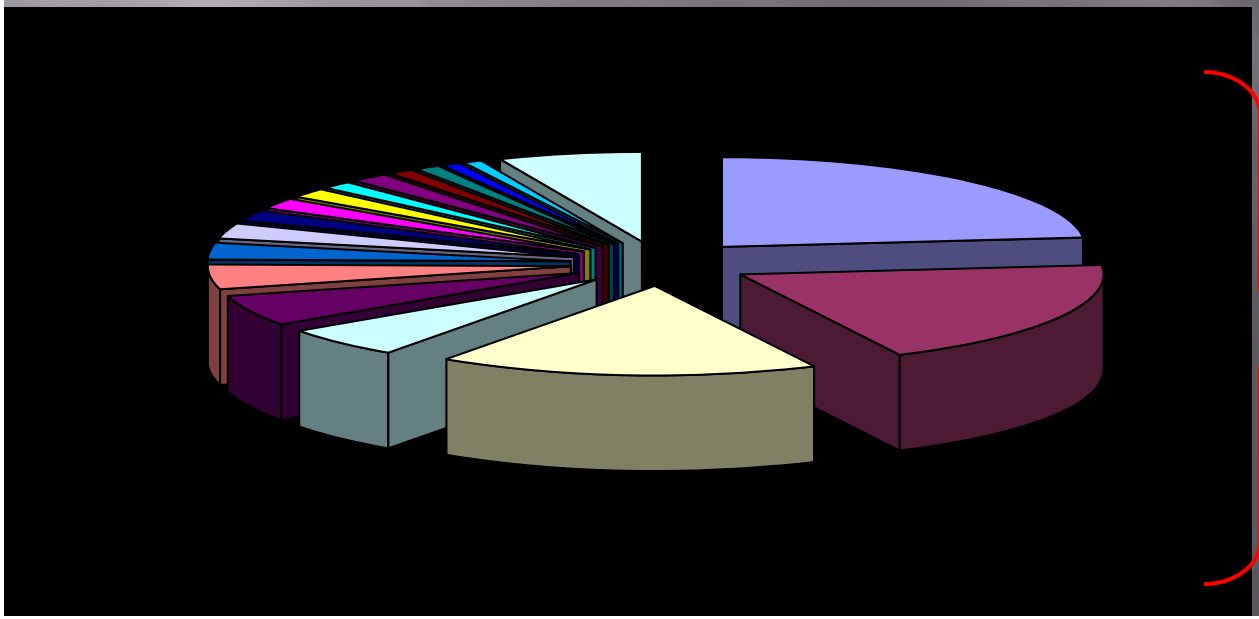
USA Mill Consolidation



2002

6 Producers Controlled 60% of Total:

Nucor
USS
Bethlehem
National
AK
Ispat



2007

3 Producers Controlled 60% of Total:

Arcelor/Mittal
Nucor
USS

WORLD STEEL DYNAMICS

Steelmakers Evolving and Consolidating

Global Players

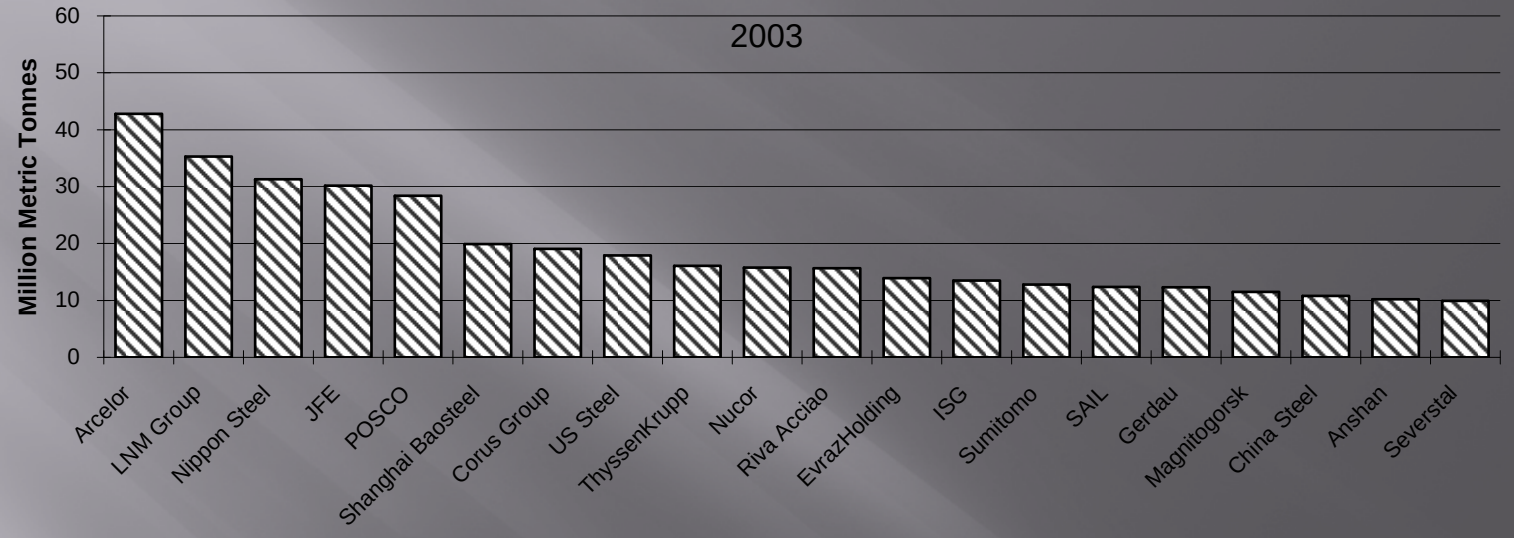
- High value-added.
- High tonnage.
- Annual contracts.
- Global presence.

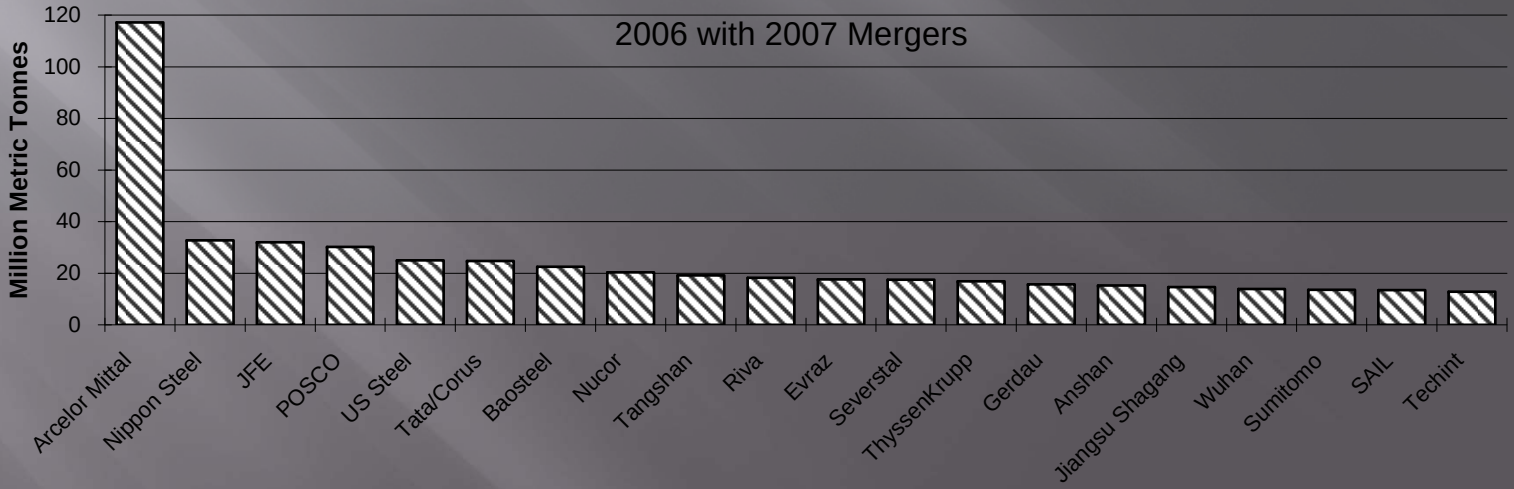
Domestic Players

- Smaller proportion of high value-added.
- More exposure to the volatile spot markets.

WORLD STEEL DYNAMICS

Global Steel Production by Producer





Source: WSD estimates

WORLD STEEL DYNAMICS

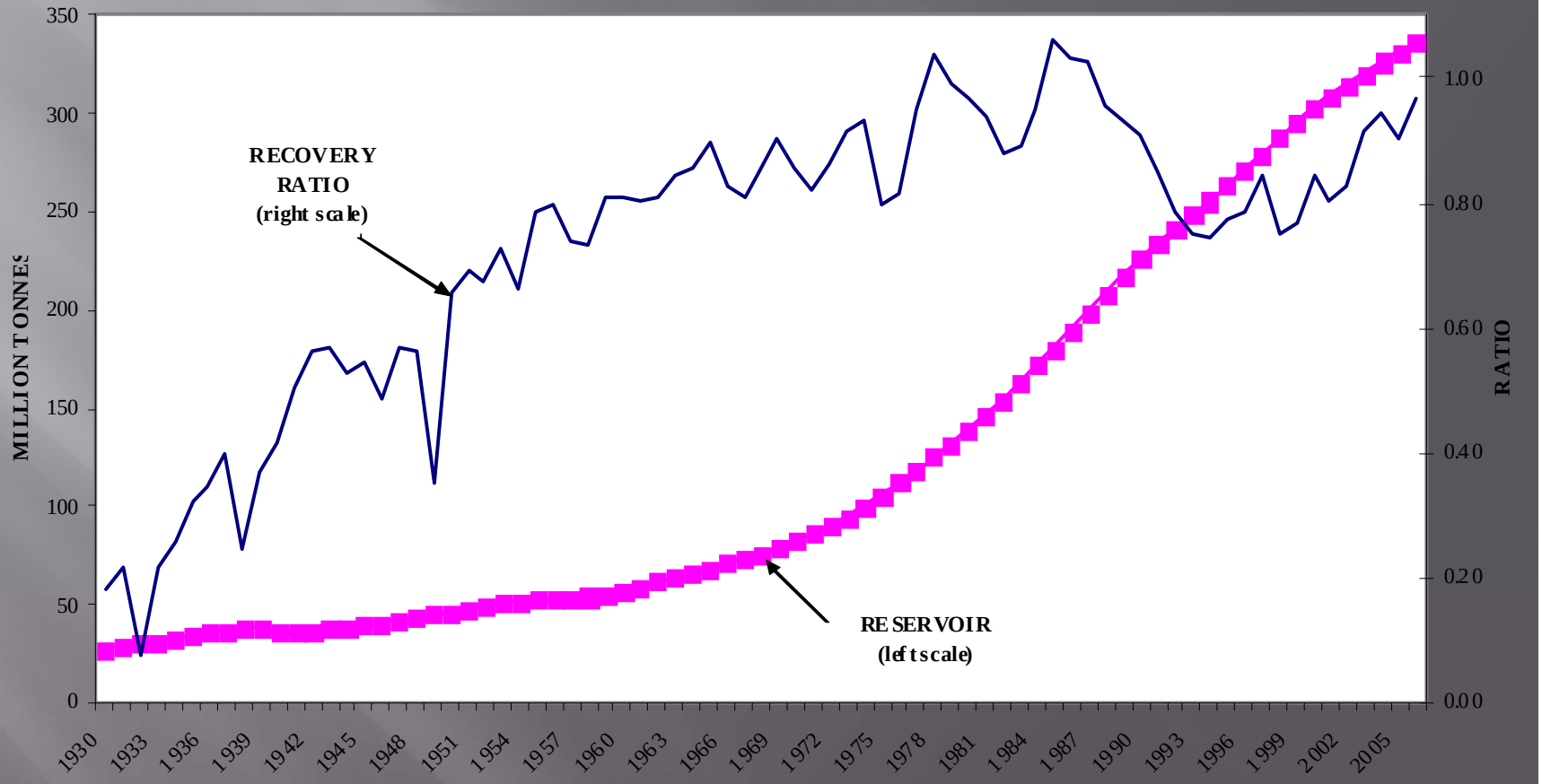
The Tyranny of Large Numbers Cause Metallics to be the Key Challenge for Steelmakers

- Occurs when two huge numbers are subtracted from one another.
- When the resulting difference is critical for the marketplace.
- In steel, supply and demand are both about 1.5 billion tonnes.
- Even small percentage changes can create major variations.
- Exacerbated by swings in the psychology of the marketplace.
- For example, if global steel and foundry demand rises 4.5% per year from 2006 to 2015, the demand for steelmakers' metallics (pig iron, steel scrap and steel scrap substitutes) rises 531 million tonnes to about 2.18.

WORLD STEEL DYNAMICS

Where Will the Metallics Come From?

10-40 Year Old Obsolete Scrap Reservoir
versus Ratio of Obsolete Scrap Recovered to the Reservoir

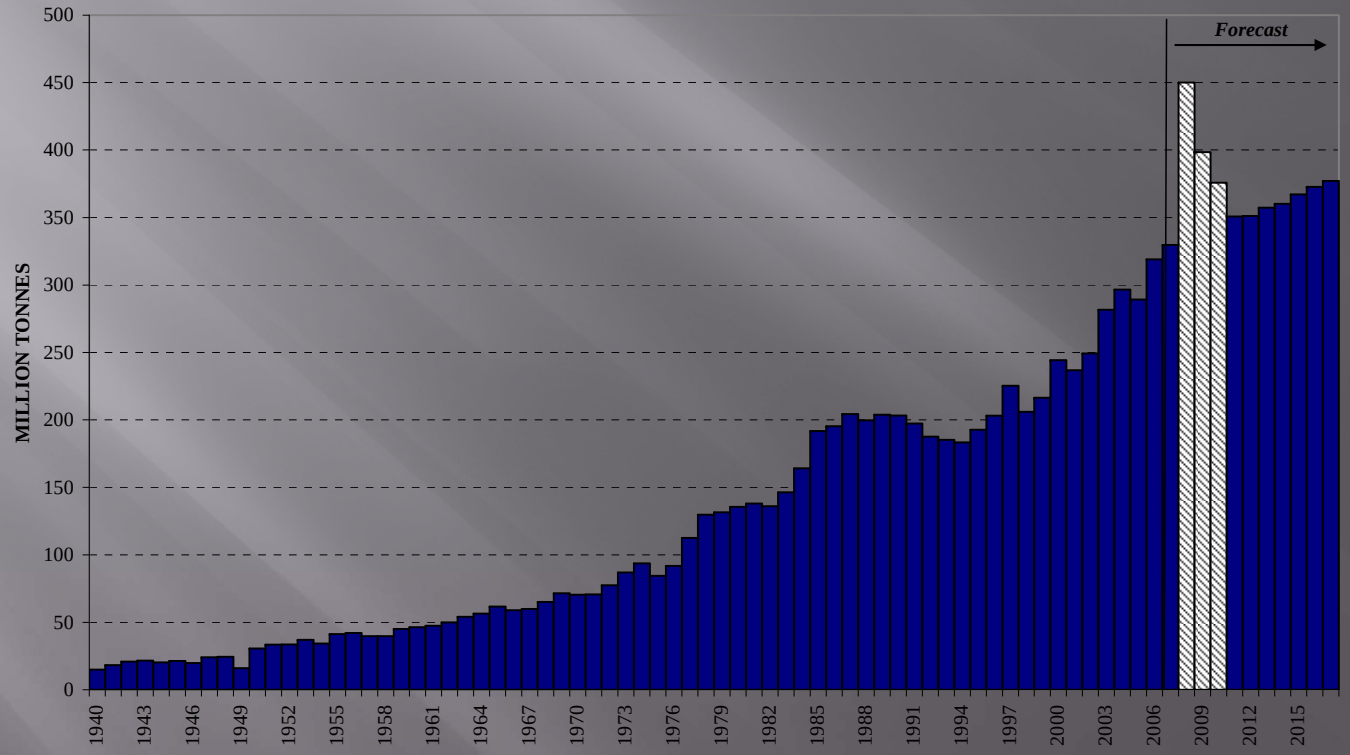


Source: WSD Global Metallics Balance System

WORLD STEEL DYNAMICS

Recent Spike in Scrap Prices Increased the “Easy to Mine” Scrap

Global Metallics Balance System Estimate of Obsolete Scrap Recovery Needed to Balance the System to 2017 Plus Additional Recovery Due to Scrap Price Spike 2008-2010



Source: WSD Global Metallics Balance System

WORLD STEEL DYNAMICS

On Average, the Steel Scrap Reservoir Grows 4% per Year

Steel Scrap Recovery Rates and Related Items: 2007-2017

(million tonnes unless otherwise specified)

Item	Advanced Economies (AC)	China	ROW (all but China and AC)	Total
Avg. 2007 scrap reservoir 10-40 years old	200	39	104	342
Avg. 2017 scrap reservoir 10-40 years old	196	99	137	431
Growth rate for reservoir 2007-2017	-0.2%	9.6%	2.8%	2.3%
Apparent steel consumption 2007	477	401	368	1246
Apparent steel consumption 2017*	509	729	511	1749
ASC growth rate 2007-2017	0.7%	6.7%	4.0%	3.8%
Obsolete steel scrap recovery in 2007	207	41	115	363
Obsolete steel scrap recovery in 2008	270	59	124	453
Obsolete steel scrap recovery in 2017**	196	99	137	431

Source: WSD Global Metallics Balance System

Higher Scrap Recovery Rates in the Near-Term Mean Lower Long-Term Recovery Due to the "Fixed" Nature of the Reservoir

Steel Scrap Recovery Rates and Related Items: 2007-2017
(million tonnes unless otherwise specified)

Item	Advanced Economies (AC)	China	ROW (all but China and AC)	Total
Ratio: Scrap recovery in 2007 to reservoir 10-40 years old on average	1.037	1.069	1.104	1.061
Ratio: Scrap recovery in 2008 to reservoir 10-40 years old on average	1.345	1.429	1.168	1.301
Ratio: Scrap recovery in 2017 to reservoir 10-40 years old on average	1.000	1.000	1.000	1.000
Ratio: 2007 Obsolete steel scrap recovery to ASC	0.435	0.103	0.311	0.291
Ratio: 2008 Obsolete steel scrap recovery to ASC	0.508	0.125	0.319	0.326
Ratio: 2017 Obsolete steel scrap recovery to ASC	0.385	0.136	0.268	0.246

Source: WSD Global Metallics Balance System

WORLD STEEL DYNAMICS

In a Steel "Short"-Age, Scrap Prices Are Likely to be Volatile

SteelBenchmarker ™ Scrap Price

USA, delivered to steel plant

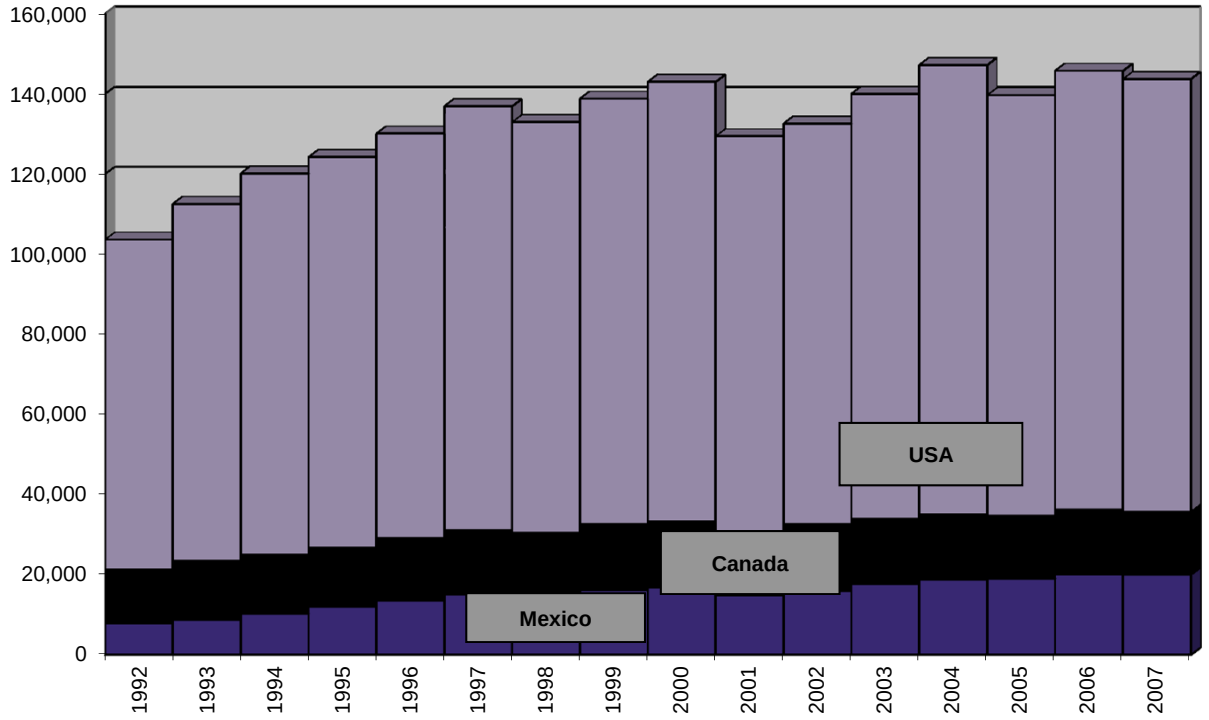
(AMM scrap price data, Jan. 2000 - Jan. 2007; SteelBenchmarker data begins Feb. 2007)

SteelBenchmarker™

WORLD STEEL DYNAMICS

USA Shipments Down for 2007, Mexico & Canada Up

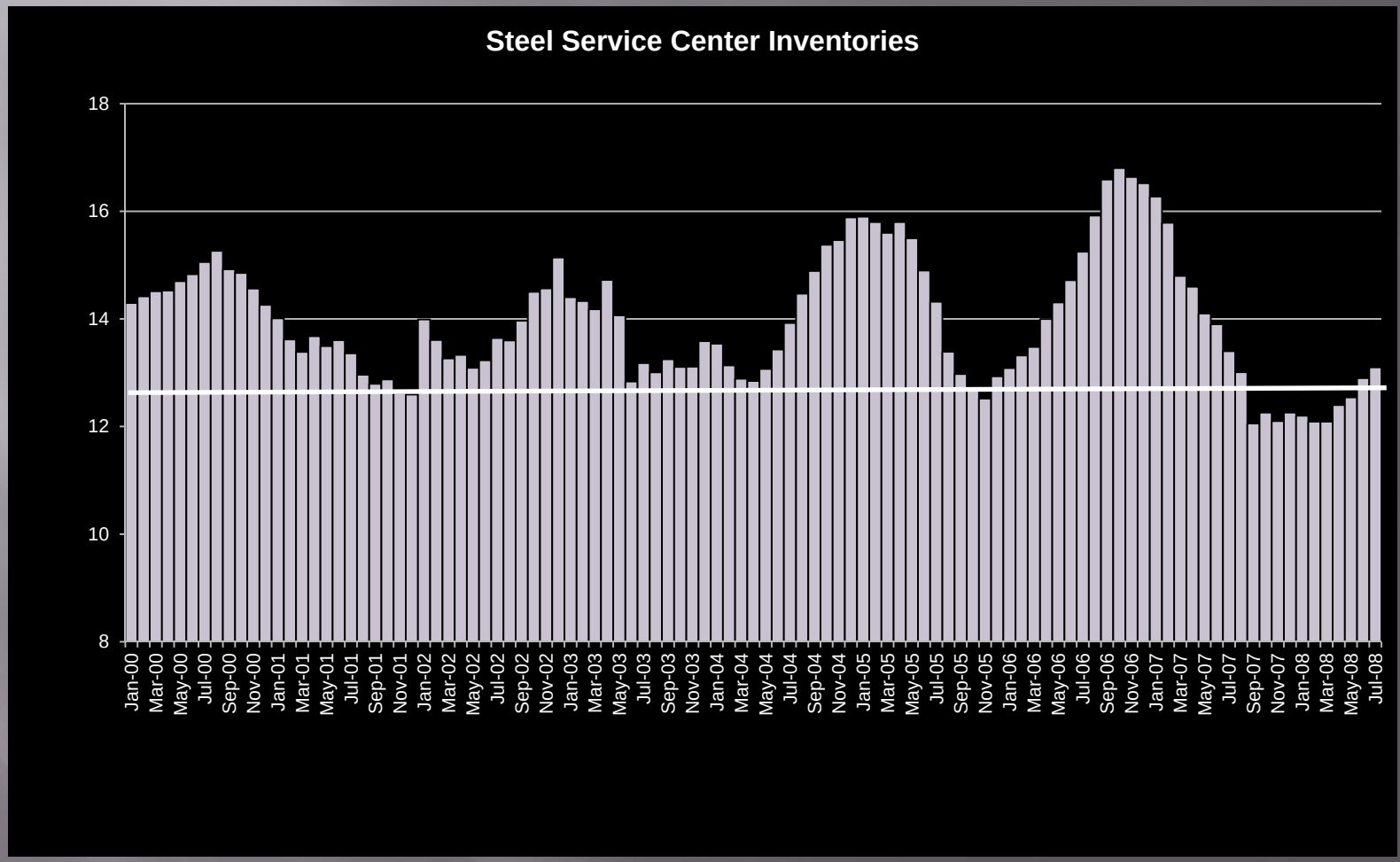
Total Shipments of Steel Mill Products
USA, Canada & Mexico



Source: AISI & WSD estimates

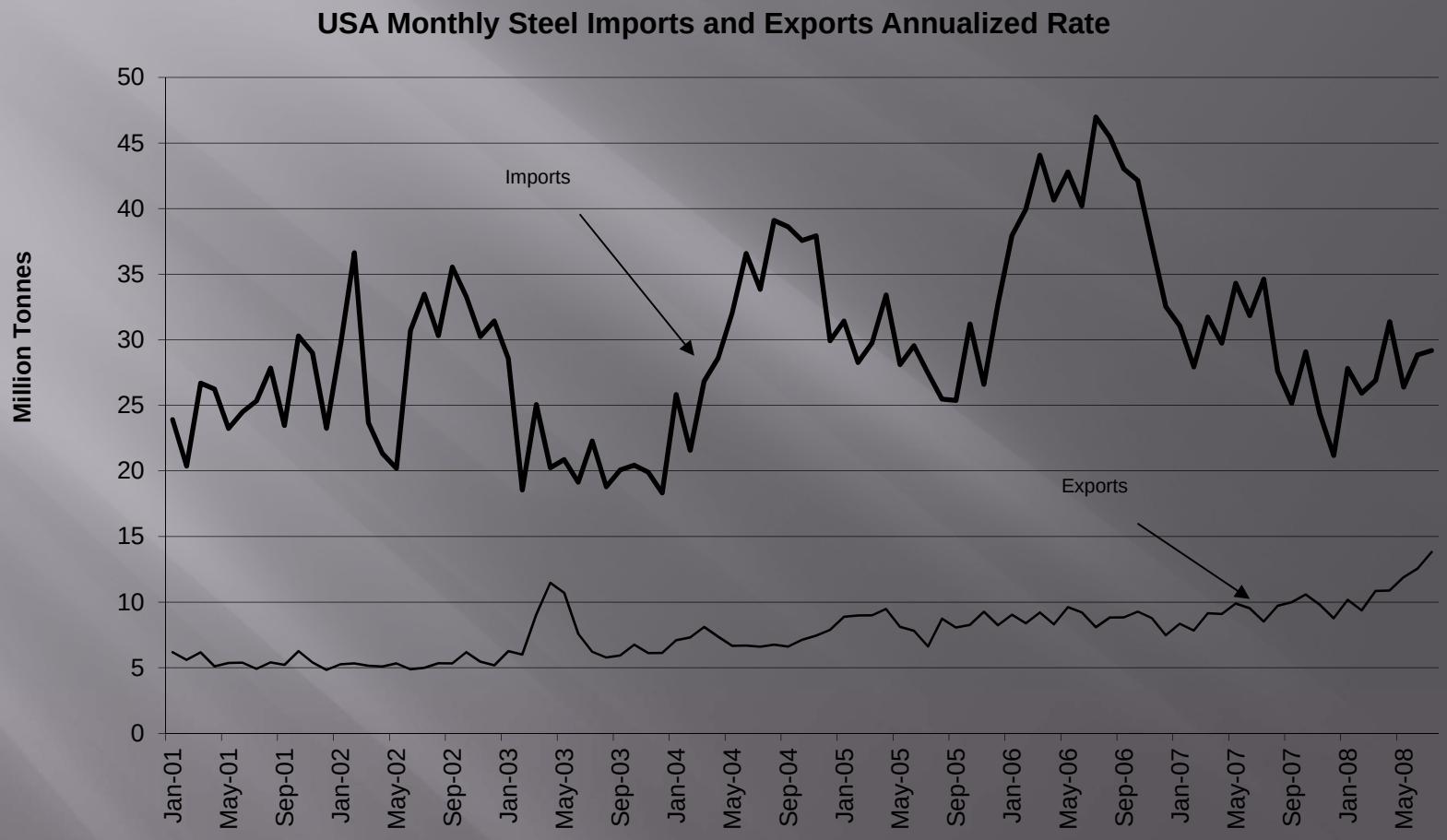
WORLD STEEL DYNAMICS

USA Service Center Inventories Remain at Historically Low Levels



Source: Metal Service Center Institute

USA Imports Are Relatively Low and Exports Have Increased



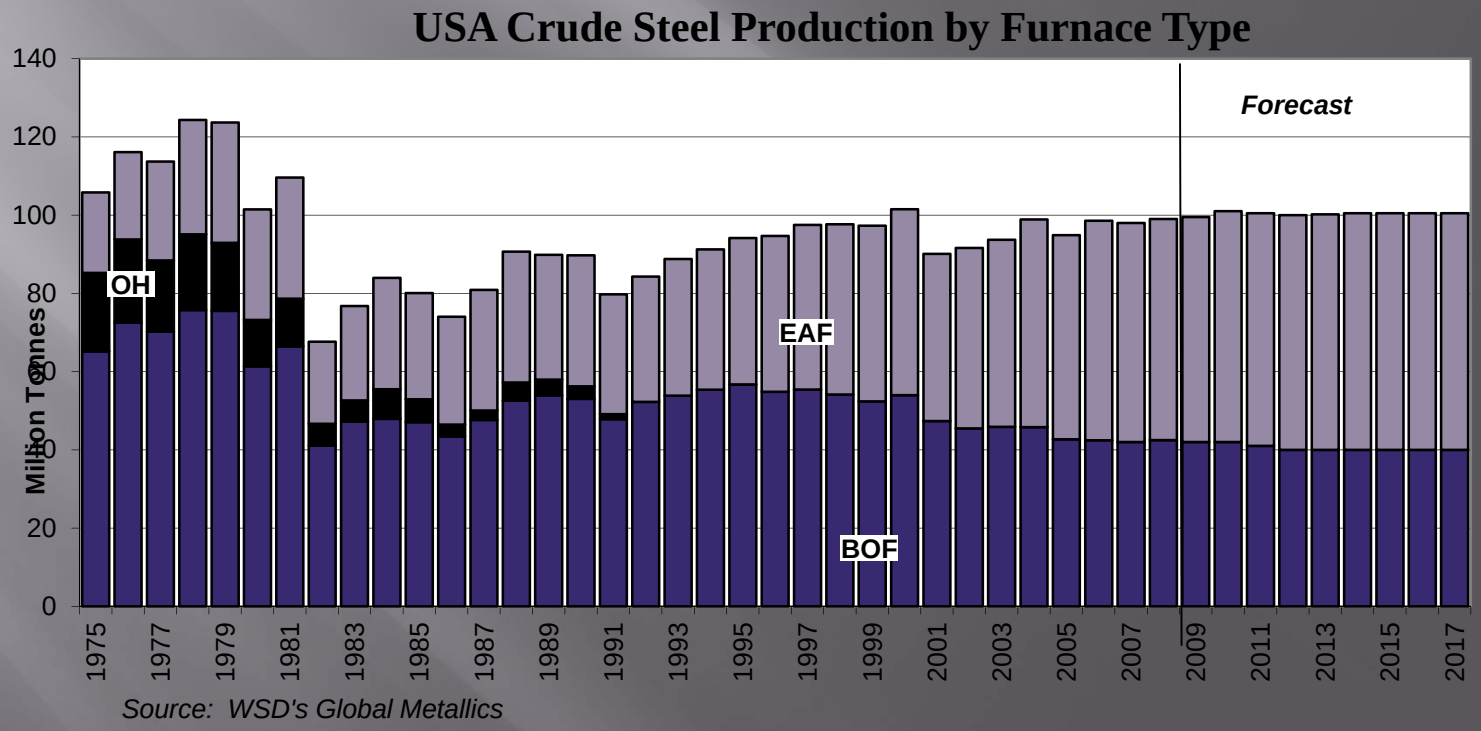
Source: WSD estimates

WORLD STEEL DYNAMICS

Steel Production Shift to EAF Continues, But at a Less Dramatic Pace

The shift in steelmaking from BOF (or integrated) to EAF (or mini-mill) has leveled off at about 44% BOF for 2006 and 2007.

Will likely continue to decline over the next few years.



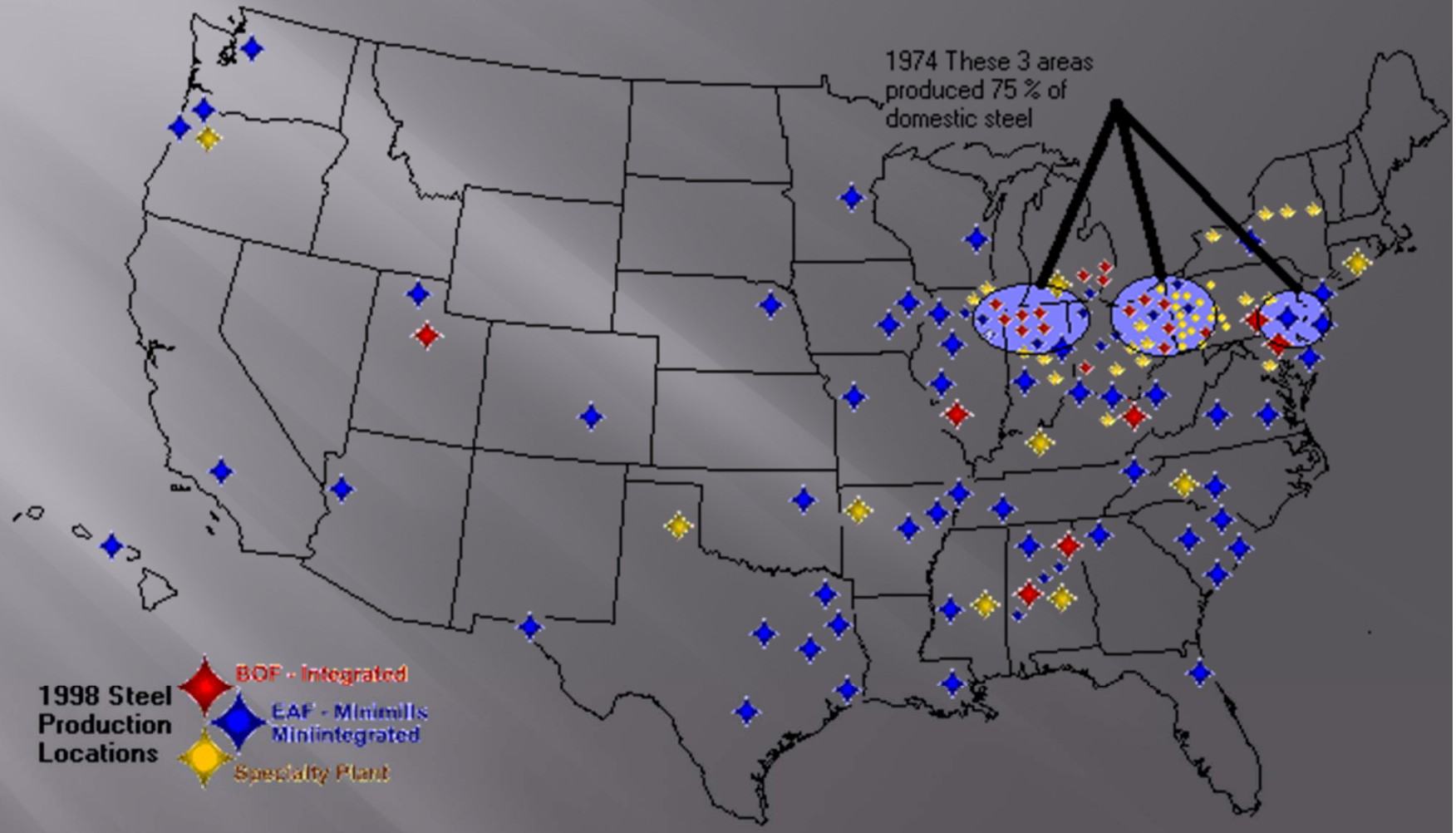
Source: WSD's Global Metallics

WORLD STEEL DYNAMICS

Advent of the Steel Mini-Mill in the 1980s Changed the Geographics of Where Steel is Made

- In the mid-1970s, three regions dominated steelmaking producing 75% of USA steel.
- In the early 1980s, mini-mills began producing low grade long products.
- In the late 1980s, the first sheet mini-mill started up in Crawfordsville, IN.
- Mini-mills produce steel in much smaller volumes than traditional integrated steelmaking.
- Facilitated a shift of steel production out of the traditional “steel centers” to smaller regional locations located closer to the actual consumption of the steel.
- Manufacturing followed the migration.

WORLD STEEL DYNAMICS



Availability of Raw Materials (i.e. Steel) Has Allowed Manufacturing to Migrate Regionally

Shifting North American Automotive Market Share

(Car and Light-Truck Sales)

Item	1980	1990	2000	2003E	2005E	2010E
GM	4,993,889	4,960,571	4,923,394	5,195,224	4,791,729	5,036,155
Ford	2,331,615	3,404,133	4,204,202	3,809,097	3,549,429	3,543,961
Chrysler	1,039,132	1,702,927	2,728,309	2,607,062	2,307,129	2,238,291
Subtotal Big 3	8,364,636	10,067,631	11,855,905	11,611,383	10,648,286	10,818,407
%	75%	73%	68%	68%	60%	58%
Toyota	713,843	1,058,314	1,619,206	1,774,650	2,307,129	2,611,340
%	6%	8%	9%	10%	13%	14%
All others	2,100,378	2,745,967	3,935,209	3,671,967	4,791,729	5,222,679
Total US Sales	**11,178,857**	**13,871,912**	**17,410,320**	**17,058,000**	**17,747,143**	**18,652,426**
Made in North America	10,060,971	12,247,273	14,565,128	13,987,560	14,375,186	14,921,941
% of total vehicles sold	90%	88%	84%	82%	81%	80%
Made in SE	1,173,258	1,960,607	3,301,964	3,404,511	4,404,511	5,404,511
% made in North America	12%	16%	23%	24%	31%	36%

Source: Automotive News, Ward's and WSD Estimates

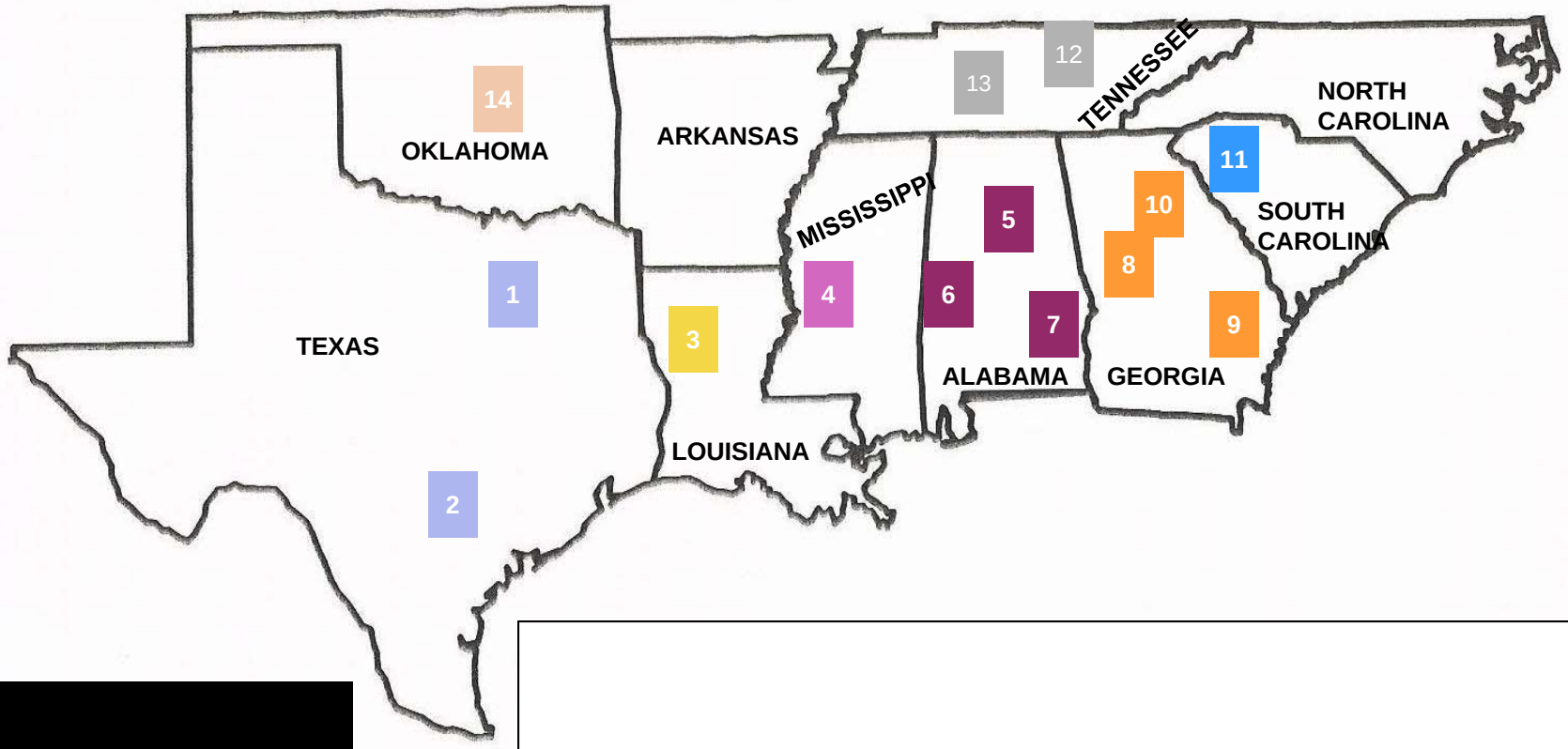
WORLD STEEL DYNAMICS

Dominance of the East North Central Region Continues to Decline

Carbon Shipments by Region

	1992	1998	2001	2006
New England	1%	1%	0%	0%
Middle Atlantic	8%	9%	6%	3%
East North Central	37%	31%	29%	15%
West North Central	5%	6%	4%	1%
South Atlantic	7%	9%	5%	2%
East South Central	7%	10%	7%	3%
West South Central	6%	3%	6%	2%
Mountain	1%	2%	2%	6%
Pacific	4%	7%	5%	2%
Undisclosed	24%	22%	37%	65%
Total USA	100%	100%	100%	100%

Source: AISI


14
OKLAHOMA
ARKANSAS
13
12
TENNESSEE
NORTH
CAROLINA
11
10
8
5
MISSISSIPPI
SOUTH
CAROLINA
1
4
6
7
9
TEXAS
3
ALABAMA
GEORGIA
LOUISIANA
2

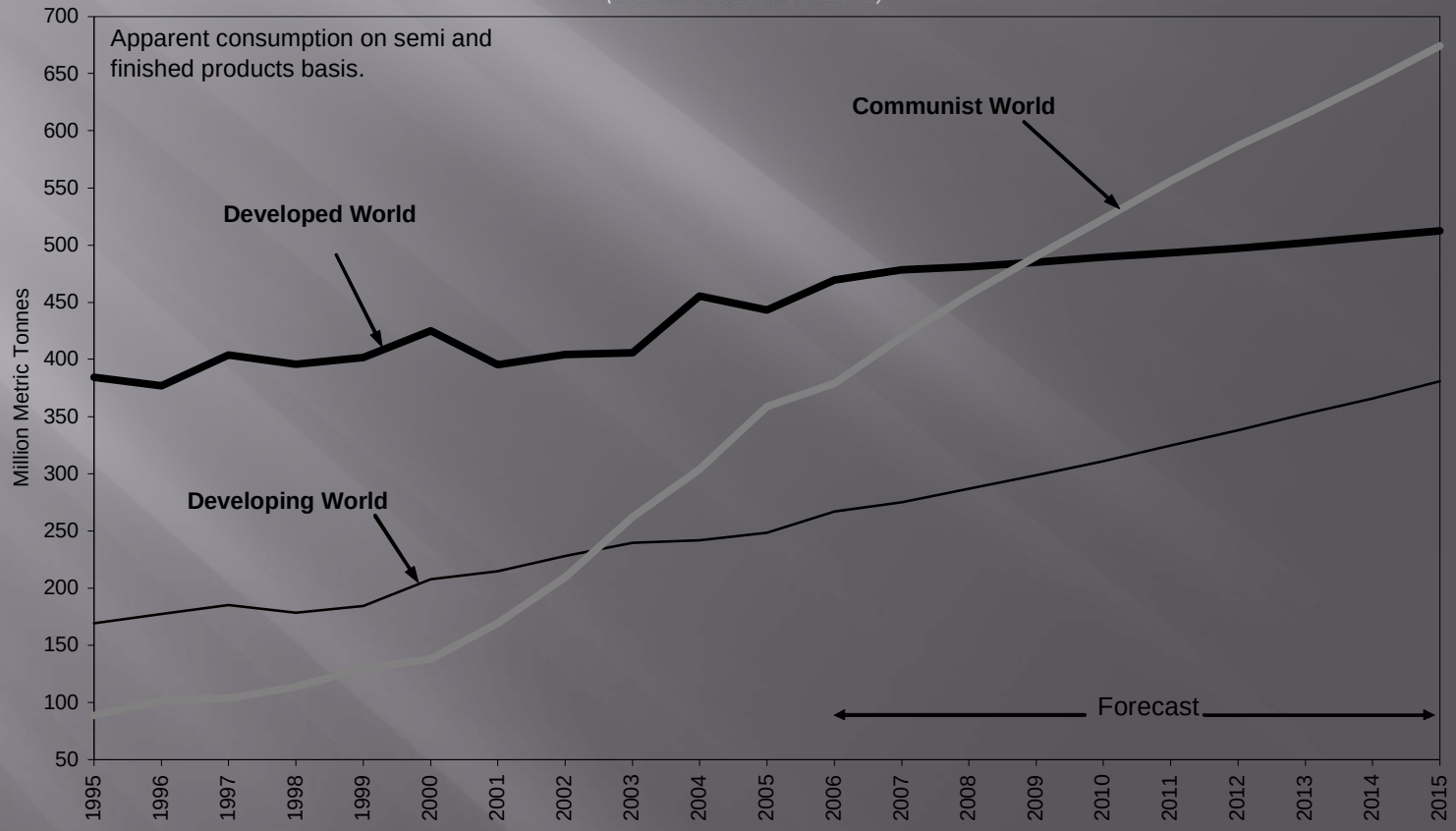
WORLD STEEL DYNAMICS

Developing World is Becoming More Significant to Global ASC

Developed vs. Developing and Communist World Apparent Consumption to 2015

Traditional Breakdown – 21st Century

(million metric tonnes)



Source: WSD estimates

WORLD STEEL DYNAMICS

China's Growth Rate in Steel Demand to Slow Significantly

The question is when?

May occur for several reasons:

- Slowdown in the Chinese economy due to higher inflation.
- Problems in the banking system.
- A greater than expected slowdown in the growth rate of FAI which has been growing about 19% a year since 2000.
- About 80% of global steel demand ties into fixed asset investment (which consists of construction and capital spending).
- Capital projects are less steel intensive as they near completion.

China's Steel Consumption Dropping in the Second Half of 2008

China Apparent Steel Products Consumption

(million tonnes)

	2001	2002	2003	2004	2005	2006	2007	2008	2009e
1H	71	85	110	131	151	188	195	229	225
Y-to-Y change		*19.7%*	*29.4%*	*19.1%*	*15.3%*	*24.5%*	*3.7%*	*17.4%*	*-1.7%*
2H	80	96	126	134	175	176	212	211	240
Y-to-Y change		*20.0%*	*31.3%*	*6.3%*	*30.6%*	*0.6%*	*20.5%*	*-0.5%*	*13.7%*
Full year total	151	181	236	265	331	364	407	440	465
Y-to-Y change		*19.9%*	*30.4%*	*12.3%*	*24.9%*	*10.0%*	*11.8%*	*8.1%*	*5.7%*
1H % of Year	*47%*	*47%*	*47%*	*49%*	*46%*	*52%*	*48%*	*52%*	*48%*

Source: WSD estimates

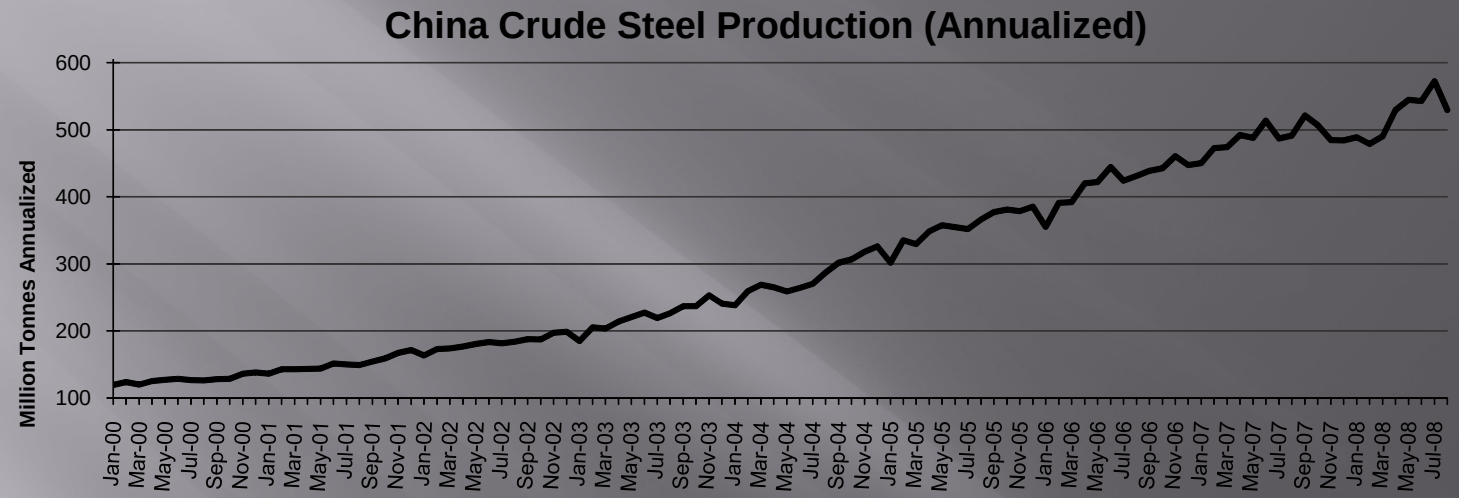
WORLD STEEL DYNAMICS

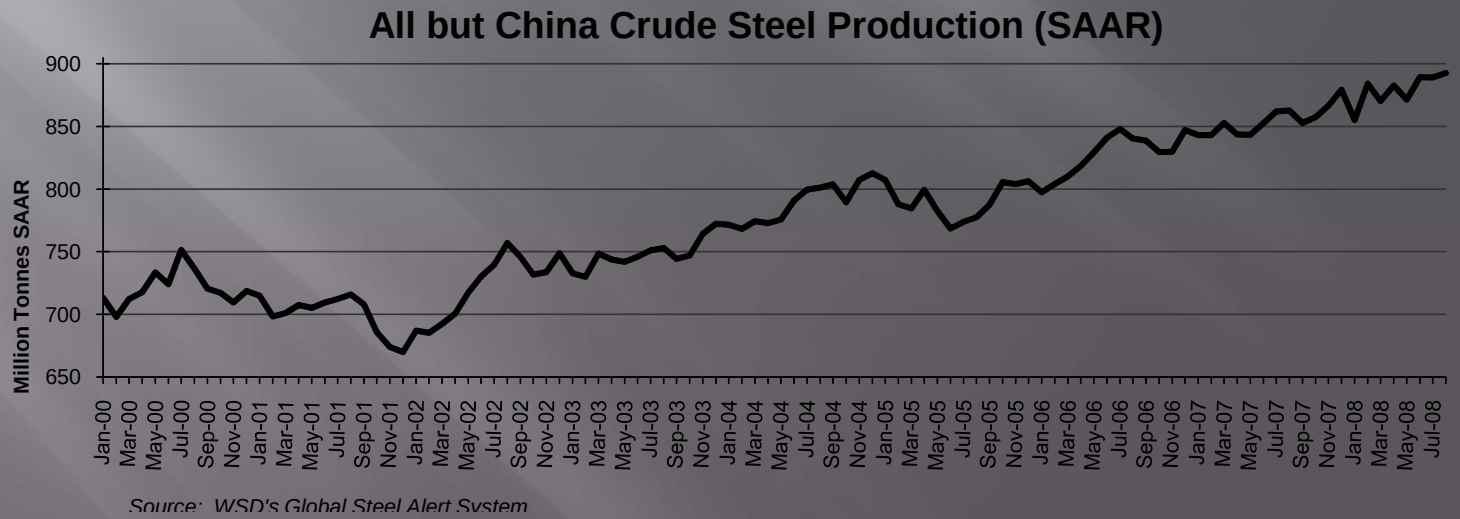
China's Overcapacity Will Ultimately Be "Self-Contained"

- China's total steel exports in 2007 were 71.6 million tonnes, up 20 million tonnes from 50.4 million tonnes in 2006 and 26.4 million tonnes in 2005.
- The annualized monthly rate of export was a high 97 million tonnes in August 2008 as mills moved to take advantage of an increasing spread between the Chinese home market price and the world export price for long and flat products.
- Government doesn't want the extra strain on limited resources such as power generation and the damage to infrastructure.
- Sheet mills almost all government owned (about 30 of them).
- Long product export tax has increased to 15% from 10%.

WORLD STEEL DYNAMICS

China's Steel Production Turned Down Before the Rest of the World





Source: WSD's Global Steel Alert System

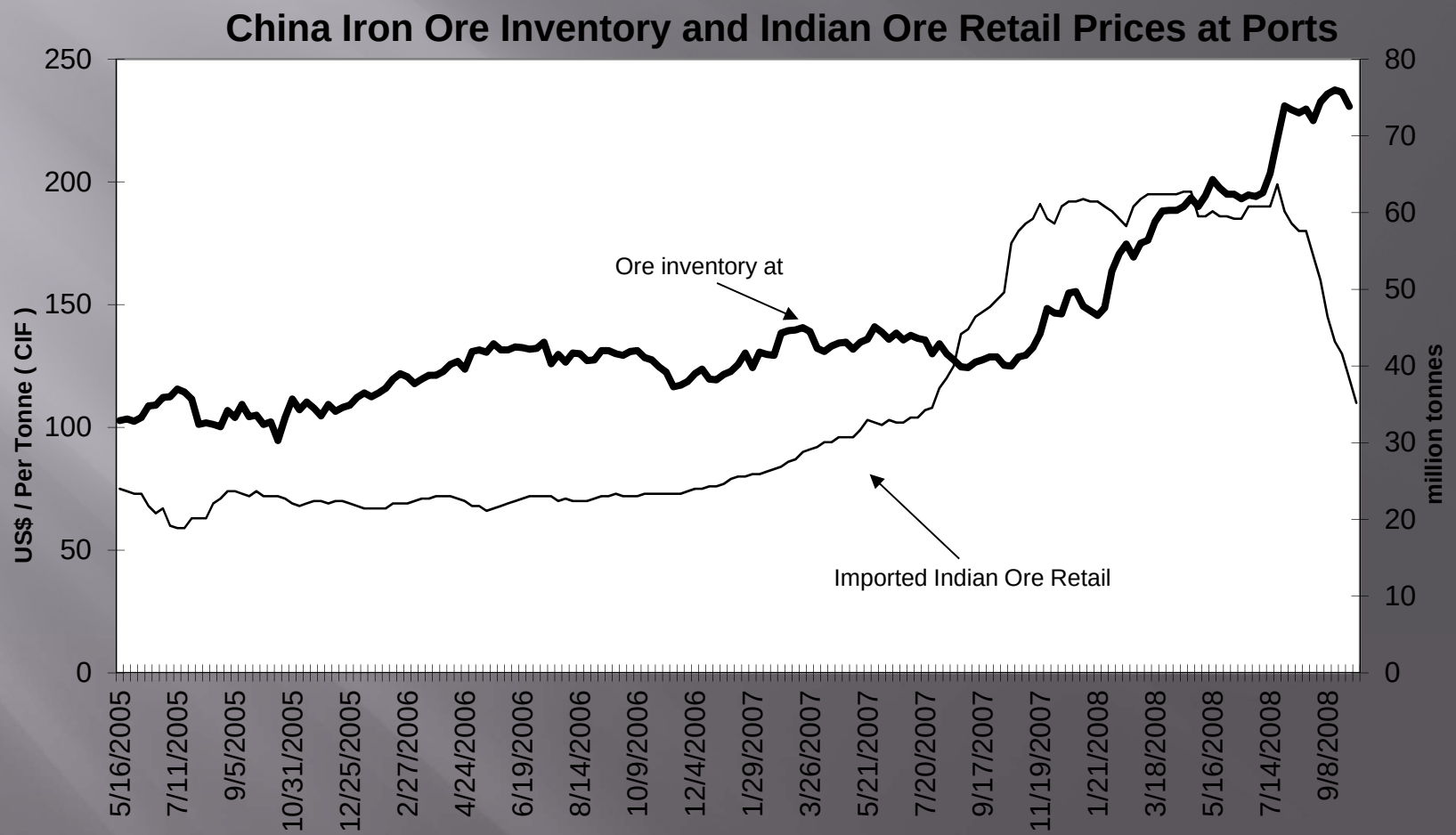
WORLD STEEL DYNAMICS

China's Steel Exports Were Up 20 Million Tonnes in 2007, But Through August 2008, Are Down 15% (7 million tonnes)

Source: WSD estimates

WORLD STEEL DYNAMICS

High Iron Ore Inventories at the Chinese Ports May Have Peaked Finally. Spot Iron Ore Prices Have Dropped Dramatically.



Iron Ore Imports in the Second Half of 2008 Down 33%

China Imported Iron Ore Forecasting, Monthly 2008

(million tonnes)

Month	**January**	**February**	**March**	**April**	**May**	**June**	**Subtotal**
Imported ore	36.8	38.2	35.7	42.9	38.9	37.8	**230.3**
Month	**July**	**August**	**September**	**October**	**November**	**December**	**Total**
Imported ore	39.6	37.0	20.0	19.0	19.0	20.0	384.9

Source: WSD estimates

Notes: 1. As China concentrate production cost is less than $80 to $90 per tonne, the ore producer keep at very higher profit even market price down. 2. the market price goes higher by passing too many traders, they rise the price step by step. So if the market price down, the many of trader will be squeezed out of market.

China's Coal Exports Have Been Steadily Declining

China Coal Exports

(million tonnes)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	
									Jan- Aug	Full Year
Exports	55.1	90.1	83.9	94.0	86.7	71.7	63.3	53.2	33.6	50.4
Imports	2.2	2.7	11.3	11.1	18.6	26.2	38.1	51.2	28.7	43.1
Net Exports	52.9	87.4	72.6	82.9	68.1	45.5	25.2	2.0	4.9	7.3

Source: China Statistical Yearbook

Freight Rates Hit Peak Levels Due to China's Iron Ore Buys

Global Iron Ore Trade Analysis

(million tonnes)

	2000	2005	2006	2007	2008	2009	2010	Change 2010 vs 2006	CAGR 06-10	CAGR 07-10
Iron ore ocean-based trade										
Chinese imports	70	268	326	383	358	377	386	60	4.3%	0.3%
Rest of world	438	448	433	441	455	468	501	69	3.7%	4.3%
Total iron ore ocean-based trade	508	716	759	824	813	845	887	128	4.0%	2.5%
Percent China	14%	37%	43%	46%	44%	45%	43%			
Iron ore concentrate production										
China	133	244	300	349	410	442	472	172	12.0%	10.6%
Rest of world	720	786	821	858	896	937	979	158	4.5%	4.5%
Total concentrate production	853	1,030	1,121	1,206	1,306	1,379	1,451	330	6.7%	6.3%
Percent China	16%	24%	27%	29%	31%	32%	33%			
Total China iron ore usage	203	512	626	732	768	819	858	232	8.2%	5.5%
Ratio: Chinese ore usage to pig production	1.55	1.48	1.51	1.56	1.56	1.56	1.56			
Pig iron production										
China	131	345	414	469	492	525	550	136	7.4%	5.5%
Rest of world	445	456	467	477	491	506	542	74	3.7%	4.3%
Total pig iron production	576	801	881	946	983	1,031	1,092	210	5.5%	4.9%
Percent China	23%	43%	47%	50%	50%	51%	50%			
Of which:										
India	25	27	28	29						
CIS	74	83	88	90						
Middle East	0.2	0.2	0.2	0.2						
Non-Chinese DRI & Corex production	41	57	64	66	71	79	89	25	8.6%	10.5%
Non-Chinese pig iron, DRI & Corex production	486	513	531	543	562	585	631	99	4.4%	5.1%
Ratio: ROW ore trade to n-C pig, DRI & Corex	0.90	0.87	0.81	0.81	0.81	0.80	0.80			

WORLD STEEL DYNAMICS

Capesize Fleet to Grow by 45%

Global Iron Ore Trade Analysis

(million tonnes)

	2000	2005	2006	2007	2008	2009	2010	Change 2010 vs 2006	CAGR 06-10	CAGR 07-10
Crude steel production										
China	127	356	423	489	517	550	575	152	8.0%	5.5%
Rest of world	721	791	828	855	884	900	940	112	3.2%	3.2%
Total crude steel production	848	1,146	1,251	1,344	1,401	1,450	1,515	264	4.9%	4.1%
Percent China	15%	31%	34%	36%	37%	38%	38%			
Iron ore capacity										
Non-China (UNCTAD & WSD)		964	1,071	1,180	1,278	1,405	1,507	436	8.9%	8.5%
China (WSD)		488	606	710	816	897	957	351	12.1%	10.5%
Total iron ore capacity		1,452	1,677	1,890	2,094	2,302	2,464	787	10.1%	9.2%
WSD ratio: Seaborne capacity to non-Chinese capacity		0.72	0.62	0.62	0.62	0.62	0.62			
Derived seaborne iron ore capacity		698	664	732	792	871	934	271	8.9%	8.5%
Year-to-year change in seaborne ore capacity		181	225	214	204	208	162	1,012		
Year-to-year change in seaborne ore trade	62	72	43	65	(12)	33	42	172		
Capesize vessel fleet with no demolition post 2006	545	710	730	750	802	903	1,094	364	10.6%	13.4%
New ships delivered			20	20	52	101	191			
Additional Capesize iron ore seaborne capacity [(1)]			23	23	60	116	219	418		

[(1)] Capesize vessels on average transport 1.275 million tonnes of iron ore per year. Assumes 90% of new vessels are for iron ore.

Note: ROW = Rest of world

Source: World Steel Dynamics & SSY

WORLD STEEL DYNAMICS

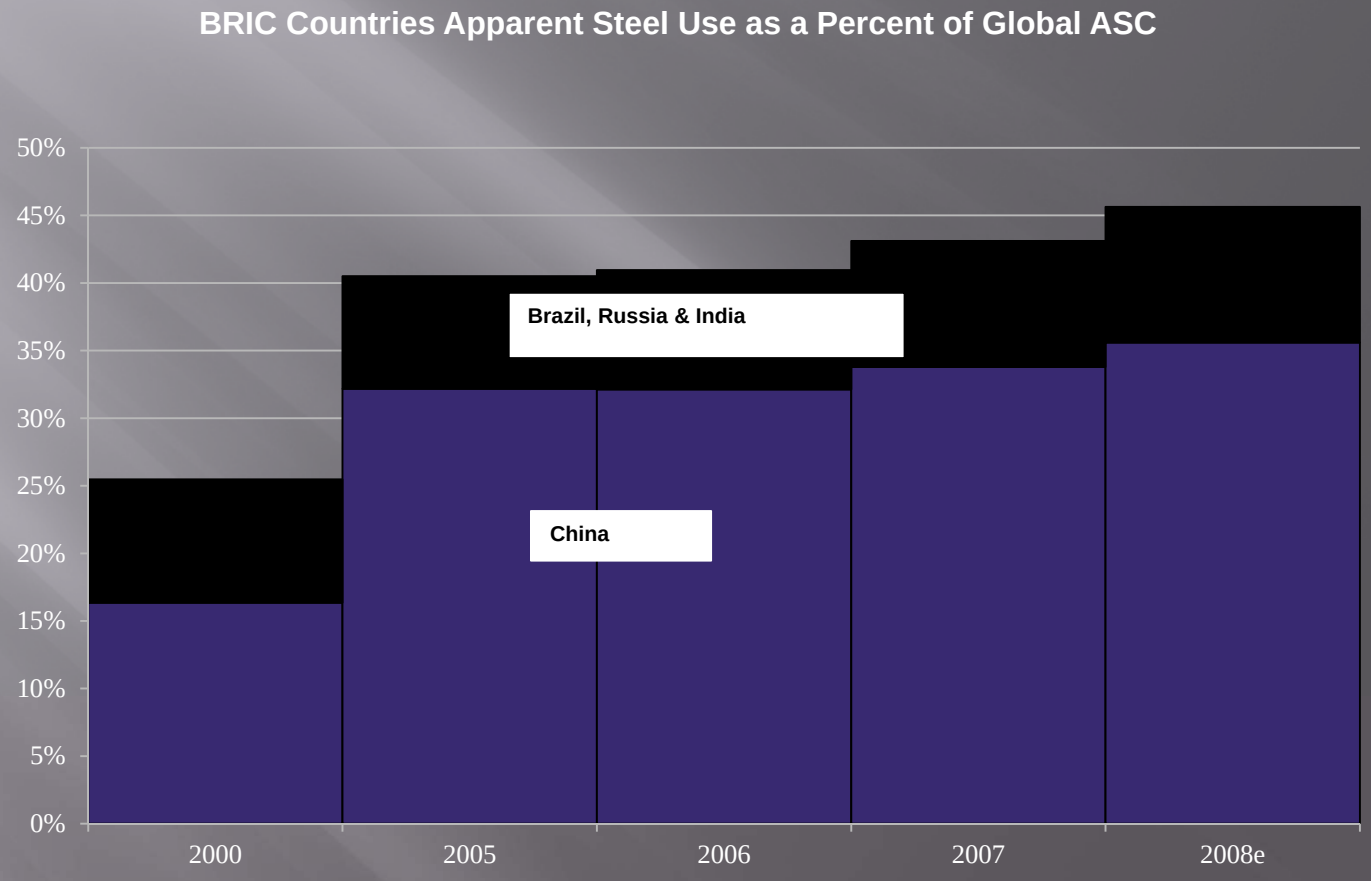
BRIC Apparent Steel Consumption Forecast

Region	2006 (% change)	2007	2008e	2000-2008
World	9.0%	7.5%	5.8%	6.1%
China	8.9%	13.0%	11.5%	18.6%
All but China	9.1%	4.8%	2.9%	2.2%
BRIC	10.2%	13.1%	12.0%	15.3%
All but BRIC	8.2%	3.5%	1.1%	1.4%

Note: BRIC includes Brazil, Russia, India and China.

Source: IISI

BRIC Apparent Steel Consumption Forecast as a Percent of the World's Apparent Steel Consumption



Source: IISI

WORLD STEEL DYNAMICS

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